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, 2011

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

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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, 2011, 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, the business–type activities, each major fund and the aggregate remaining fund information of Lee County, Georgia as of June 30, 2011 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 October 17, 2011 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
October 17, 2011

BASIC FINANCIAL STATEMENTS

Lee County Board of Commissions
Statement of Net Assets
June 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Lee County Health Department
ASSETS				
Cash & cash equivalents	$ 7,410,948	$ 909,637	$ 8,320,585	$ 333,442
Receivables, net of allowance for uncollectibles	1,688,132	304,323	1,992,455	3,026
Internal balances	742,191	(742,191)	-	-
Due from other funds	222,883	-	222,883	23,813
Inventories	-	22,034	22,034	-
Prepaid items	135,206	20,258	155,464	-
Deferred items	149,335	1,101,827	1,251,162	-
Restricted cash & cash equivalents	3,737,139	1,916,892	5,654,031	-
Capital assets not being depreciated	4,273,375	2,776,762	7,050,137	-
Capital assets net of accumulated depreciation	41,604,633	24,910,063	66,514,696	36,578
Total Assets	59,963,842	31,219,605	91,183,447	396,859
LIABILITIES				
Accounts payable	592,081	69,741	661,822	8,724
Accrued wages, withholdings & benefits	62,041	42,657	104,698	-
Compensated absences, due within one year	40,910	-	40,910	4,852
Due to other funds	-	178,947	178,947	-
Accrued interest payable	34,789	350,174	384,963	-
Deferred revenue	-	126,957	126,957	-
Debt and leases payable, due within one year	2,784,486	851,929	3,636,415	-
Noncurrent liabilities				
Compensated absences	535,335	41,079	576,414	43,670
Customer deposits	-	395,453	395,453	-
Closure & Post Closure Care	-	1,045,236	1,045,236	-
Debt and leases payable, less current portion	8,095,243	24,038,045	32,133,288	-
	12,144,885	27,140,218	39,285,103	57,246
NET ASSETS				
Invested in capital assets, net of related debt	34,462,944	3,864,993	38,327,937	36,578
Restricted				
Restricted for capital outlay	4,240,239	-	4,240,239	-
Restricted for debt service	42,381	1,061,538	1,103,919	-
Restricted for health & welfare	74,264	-	74,264	223,454
Unrestricted	8,999,129	(847,144)	8,151,985	79,581
Total Net Assets	47,818,957	4,079,387	51,898,344	339,613
Total liabilities and net assets	$ 59,963,842	$ 31,219,605	$ 91,183,447	$ 396,859

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, 2011

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	$ 8,975,532	$ 3,381,431	$ 4,475,176	$ -	$ (1,118,925)	$ -	$ (1,118,925)	
Judicial	1,641,962	1,058,979	-	-	(582,983)	-	(582,983)	
Public safety	10,627,328	950,851	-	-	(9,676,477)	-	(9,676,477)	
Public works	4,148,444	2,877,167	-	-	(1,271,277)	-	(1,271,277)	
Health & welfare	438,307	50,673	-	-	(387,634)	-	(387,634)	
Culture & recreation	1,083,737	-	-	-	(1,083,737)	-	(1,083,737)	
Housing & development	696,154	-	-	-	(696,154)	-	(696,154)	
Interest on long-term debt	514,740	-	-	-	(514,740)	-	(514,740)	
Total Governmental Activities	28,126,204	8,319,101	4,475,176	-	(15,331,927)	-	(15,331,927)	
Business-type Activities								
Water and sewer	3,228,851	3,467,430	-	-	-	238,579	238,579	
Solid waste	234,752	118,640	-	-	-	(116,112)	(116,112)	
Golf/recreation	955,239	893,112	-	-	-	(62,127)	(62,127)	
Total Business-type Activities	4,418,842	4,479,182	-	-	-	60,340	60,340	
Total Primary Government	$ 32,545,046	$ 12,798,283	$ 4,475,176	$ -	(15,331,927)	60,340	(15,271,587)	
Component Unit								
Lee County Health Department	$ 707,809	$ 292,194	$ 420,418	$ -				$ 4,803
Total Component Unit	$ 707,809	$ 292,194	$ 420,418	$ -				4,803
General Revenues								
Taxes								
Real property					9,967,399	-	9,967,399	-
Personal property					1,312,933	-	1,312,933	-
Real estate transfer (intangible)					258,150	-	258,150	-
Franchise					256,265	-	256,265	-
General sales & use					2,529,080	-	2,529,080	-
Selective sales & use					204,365	-	204,365	-
Business					1,174,989	-	1,174,989	-
Penalties & interest on delinquent taxes					166,590	-	166,590	-
Investment income					42,240	-	42,240	-
Miscellaneous					394,886	-	394,886	-
Transfers					(99,250)	99,250	-	-
Total General Revenues and Transfers					16,207,647	99,250	16,306,897	-
Change in Net Assets					875,720	159,590	1,035,310	4,803
Net Assets- Beginning					46,943,237	3,919,797	50,863,034	334,810
Net Assets- Ending					$ 47,818,957	$ 4,079,387	$ 51,898,344	$ 339,613

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

Lee County Board of Commissions
Balance Sheet
Governmental Funds
June 30, 2011

	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	$ 5,856,259	$ 523,266	$ -	$ -	$ -	$ 980,125	$ 7,359,650
Receivables, net of allowance for uncollectibles	994,591	-	-	-	-	73,795	1,068,386
Internal balances	742,191	-	-	-	-	-	742,191
Due from other funds	834,609	-	-	(575,362)	224,679	(346,686)	137,240
Prepaids	135,206	-	-	-	-	-	135,206
Restricted assets							
Cash & cash equivalents	74,261	-	270,474	90,351	3,259,670	42,381	3,737,137
Accounts receivable	-	-	-	-	619,745	-	619,745
Total Assets	$ 8,637,117	$ 523,266	$ 270,474	$ (485,011)	$ 4,104,094	$ 749,615	$ 13,799,555
LIABILITIES & FUND EQUITY							
Liabilities							
Accounts payable	$ 450,906	$ -	$ 27,368	$ 4,213	$ 18,459	$ 8,122	$ 509,068
Accrued wages, withholdings & benefits	57,721	-	-	-	-	4,320	62,041
Compensated absences	40,910	-	-	-	-	-	40,910
Deferred revenue	242,202	-	-	-	-	-	242,202
Total liabilities	791,739	-	27,368	4,213	18,459	12,442	854,221
Fund balances							
Reserved for capital expenditure	-	-	243,106	90,351	4,085,635	42,381	4,461,473
Unreserved, reported in							
General fund	7,771,117	-	-	-	-	-	7,771,117
Special revenue funds	74,261	523,266	-	-	-	694,792	1,292,319
Capital projects funds	-	-	-	(579,575)	-	-	(579,575)
Total fund balances	7,845,378	523,266	243,106	(489,224)	4,085,635	737,173	12,945,334
Total liabilities & fund balances	$ 8,637,117	$ 523,266	$ 270,474	$ (485,011)	$ 4,104,094	$ 749,615	$ 13,799,555

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		$ 45,878,008
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		242,202
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Capital leases	$ (1,378,808)	
Notes payable	(2,334,898)	
Installment sale agreement	(1,210,000)	
General obligation bonds	(5,956,023)	
Deferred charges for issuance cost (to be amortized over life of debt)	149,335	
Accrued interest payable	(34,789)	
Compensated absences	(535,335)	
Total long-term liabilities		(11,300,518)
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	$ 53,928	
		53,928
Net Assets of governmental activities		$ 47,818,957

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

Statement of Revenues, Expenditures & Change in Fund Balance
Governmental Funds
For the Year Ended June 30, 2011

	General	Development Authority	1% SPLOST #4	1% SPLOST #5 BONY Advance	1% SPLOST #5 Tax Proceeds	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 15,866,000	$ -	$ -	$ -	$ 4,413,824	$ 3,589	$ 20,283,413
Licenses & permits	183,189	-	-	-	-	-	183,189
Intergovernmental	95,806	-	52,469	-	-	-	148,275
Charges for services	3,745,485	-	66	-	-	618,396	4,363,947
Fines & forfeitures	889,623	-	-	-	-	-	889,623
Investment income	29,308	3,482	1,173	3,019	4,691	8,550	50,223
Miscellaneous	215,683	120,000	1,750	-	-	-	337,433
Total revenues	21,025,094	123,482	55,458	3,019	4,418,515	630,535	26,256,103
EXPENDITURES							
Current							
General government	5,372,003	-	-	-	43,661	-	5,415,664
Judical	1,572,873	-	-	-	-	52,952	1,625,825
Public safety	9,319,000	-	20,548	-	-	642,993	9,982,541
Public works	2,067,274	-	-	-	71,836	-	2,139,110
Health & welfare	421,268	-	-	-	-	-	421,268
Culture & recreation	818,406	184,318	-	-	-	3,500	1,006,224
Housing & development	692,133	-	-	-	-	81,051	773,184
Capital outlay	-	-	178,616	-	1,491,782	66,054	1,736,452
Debt service	396,499	261,230	-	2,099,226	463,389	140,454	3,360,798
Intergovernmental	-	-	501,089	-	-	-	501,089
Total expenditures	20,659,456	445,548	700,253	2,099,226	2,070,668	987,004	26,962,155
Excess (deficiency) of revenues over (under) expenditures	365,638	(322,066)	(644,795)	(2,096,207)	2,347,847	(356,469)	(706,052)
OTHER FINANCING SOURCES (USES)							
Transfer in (out)	(636,235)	143,975	(269,446)	3,250,521	(3,132,264)	544,199	(99,250)
Proceeds of capital asset dispositions	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-
Capital leases	612,623	-	-	-	-	-	612,623
Notes payable	-	-	-	-	-	-	-
Total other financing sources (uses)	(23,612)	143,975	(269,446)	3,250,521	(3,132,264)	544,199	513,373
net change in fund balances	342,026	(178,091)	(914,241)	1,154,314	(784,417)	187,730	(192,679)
Fund balances- beginning	7,503,352	701,357	1,157,347	(1,643,538)	4,870,052	549,443	13,138,013
Fund balances- ending	$ 7,845,378	$ 523,266	$ 243,106	$ (489,224)	$ 4,085,635	$ 737,173	$ 12,945,334

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

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, 2011

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		$ (192,679)
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	$ 2,419,215	
Intergovernmental capital assets	(794,726)	
Depreciation expense	(3,134,257)	(1,509,768)
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.		
Debt Issued or Incurred		
Capital Leases	$ (612,623)	
Principal repayments		
Capital leases	480,364	
Notes payable	131,657	
General obligation bonds	1,770,000	
Installment sale agreement	415,000	2,184,398
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.		
Amortization of bond premiums	$ (58,131)	
Amortization of issuance costs	63,981	
Deferred revenue	6,491	
Compensated absences	14,684	27,025
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		366,744
Change in net assets of governmental activities reported in the Statement of Activities		$ 875,720

Statement of Net Assets
Proprietary Funds
June 30, 2011

	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	$ 866,393	$ 14,338	$ 28,906	$ 909,637	$ 51,298
Receivables, net of allowance for uncollectibles	229,300	1,190	73,815	304,323	-
internal balances	(721,843)	(25,381)	5,033	(742,191)	4,360,890
Inventories	-	-	22,034	22,034	-
Prepaid items	13,212	568	6,496	20,258	-
Restricted assets					
Cash & cash equivalents	1,270,491	-	-	1,270,491	-
Total current assets	1,657,553	(9,285)	136,284	1,784,552	4,412,188
Noncurrent Assets					
Restricted assets					
Cash & cash equivalents	646,401	-	-	646,401	-
Total restricted assets	646,401	-	-	646,401	-
Deferred charges	1,101,827	-	-	1,101,827	-
Capital assets not being depreciated					
Land	77,310	163,000	2,536,452	2,776,762	-
Construction in progress	-	-	-	-	-
Capital assets net of accumulated depreciated					
Buildings & systems	23,974,362	9,181	926,520	24,910,063	-
Total capital assets net of accumulated depreciation	24,051,672	172,181	3,462,972	27,686,825	-
Total noncurrent assets	25,799,900	172,181	3,462,972	29,435,053	-
Total assets	$ 27,457,453	$ 162,896	$ 3,599,256	$ 31,219,605	$ 4,412,188

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

Lee County Board of Commissions
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities- Enterprise Funds				Governmental Activities
	Utility Authority	Solid Waste	Golf Complex	Total Enterprise Funds	Internal Service Fund
LIABILITIES					
Current Liabilities					
Accounts payable	$ 37,453	$ 17,374	$ 14,914	$ 69,741	$ 83,013
Accrued and other liabilities	(11,672)	480	53,849	42,657	-
Due to Other Funds	134,912	44,035	-	178,947	4,275,247
Accrued Interest Payable	350,174	-	-	350,174	-
Deferred Revenue	109,727	-	17,229	126,956	-
Revenue bonds payable current	415,000	-	-	415,000	-
Loans payable current	253,308	-	183,621	436,929	-
Total Current Liabilities	1,288,902	61,889	269,613	1,620,404	4,358,260
Non-Current Liabilities					
Customer Deposits	395,453	-	-	395,453	-
Compensated Absences	23,077	4,020	13,982	41,079	-
Loans Payable	2,484,483	-	89,443	2,573,926	-
Revenue Bonds Payable	21,464,118	-	-	21,464,118	-
Closure & Post Closure Care	-	1,045,236	-	1,045,236	-
Total Non-Current Liabilities	24,367,131	1,049,256	103,425	25,519,812	-
Total liabilities	25,656,033	1,111,145	373,038	27,140,218	4,358,260
Net Assets					
Invested in Capital Assets, Net of Related Debt	502,905	172,181	3,189,908	3,864,993	-
Restricted					
Restricted for Debt Service	1,061,538	-	-	1,061,538	-
Unrestricted	236,976	(1,120,430)	36,310	(847,144)	53,928
	$ 1,801,419	$ (948,249)	$ 3,226,218	$ 4,079,387	$ 53,928

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, 2011

	Business-type Activities- Enterprise Funds				Governmental
	Utility Authority	Solid Waste	Golf Complex	Total Enterprise Funds	Activities Internal Service Fund
OPERATING REVENUES					
Changes for sales & services	$ 3,467,430	$ 118,640	$ 893,112	$ 4,479,182	$ 2,786,407
Total operating revenues	3,467,430	118,640	893,112	4,479,182	2,786,407
OPERATING EXPENSES					
Personal services & employee benefits	565,541	72,134	437,702	1,075,377	2,392,030
Purchased/contracted services	395,648	155,857	245,998	797,503	28,533
Supplies	240,548	5,975	161,289	407,812	-
Depreciation	1,086,009	847	85,792	1,172,648	-
Total operating expenses	2,287,746	234,813	930,781	3,453,340	2,420,563
Operating income (loss)	1,179,684	(116,173)	(37,669)	1,025,842	365,844
NONOPERATING REVENUES (EXPENSES)					
Investment income	15,301	61	779	16,141	900
Contributions & donations	7,610	-	-	7,610	-
Interest on long-term debt	(918,532)	-	(25,237)	(943,769)	-
Fiscal agent's fees	(2,771)	-	-	(2,771)	-
Bond issuance costs	(42,713)	-	-	(42,713)	-
Total nonoperating revenues (expenses)	(941,105)	61	(24,458)	(965,502)	900
Income (loss) before contributions & transfers	238,579	(116,112)	(62,127)	60,340	366,744
Capital contributions					
Transfers in	-	99,250	-	99,250	-
Transfers out	-	-	-	-	-
Changes in net assets	238,579	(16,862)	(62,127)	159,590	366,744
Net assets- beginning of year	1,562,840	(931,387)	3,288,344	3,919,797	(312,816)
Net assets- end of year	$ 1,801,419	$ (948,249)	$ 3,226,217	$ 4,079,387	$ 53,928

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, 2011

	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	$ 3,684,084	$ 117,876	$ 869,655	$ 4,671,615	$ -
Receipts from interfund services provided	-	-	-	-	1,049,572
Payments to suppliers	(960,867)	(131,420)	(429,994)	(1,522,281)	(1,117,792)
Payments to employees	(527,853)	(52,333)	(417,325)	(997,511)	-
Payments for interfund services used	(53,256)	(21,300)	(31,950)	(106,506)	-
Net cash provided (used) by operating activities	2,142,108	(87,177)	(9,614)	2,045,317	(68,220)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	99,250	-	99,250	-
Net cash provided (used) by noncapital financing	-	99,250	-	99,250	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING					
Proceeds from capital debt	-	-	-	-	-
Acquisition & construction of capital assets	(597,626)	-	-	(597,626)	-
Principal paid on capital debt	(248,665)	-	(25,901)	(274,566)	-
Interest paid on capital debt	(573,238)	-	(25,237)	(598,475)	-
Payments of fiscal agent's fees	(2,771)	-	-	(2,771)	-
Net cash provided (used) by capital related financing activities	(1,422,300)	-	(51,138)	(1,473,438)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	15,301	61	779	16,141	900
Net cash provided (used) by investing activities	15,301	61	779	16,141	900
Net increase (decrease) in cash & cash equivalents	735,109	12,134	(59,973)	687,270	(67,320)
Cash & cash equivalents- beginning of year	2,048,175	2,204	88,879	2,139,258	118,618
Cash & cash equivalents- end of year	$ 2,783,284	$ 14,338	$ 28,906	$ 2,826,528	$ 51,298
RECONCILIATION OF OPERATING INCOME TO NET CASH					
Operating income (loss)	$ 853,251	$ (116,173)	$ (37,669)	$ 699,409	$ 365,844
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	1,086,009	847	85,792	1,172,648	(1,736,836)
(Increase) decrease in accounts receivable	7,543	(80)	(23,457)	(15,994)	-
(Increase) decrease in prepaids					30,178
(Increase) decrease in inventories	-	-	(6,341)	(6,341)	-
(increase) decrease in accounts payable	(7,230)	8,408	(13,074)	(11,896)	(5,676)
(Increase) decrease in accrued wages & withholdings	(22,767)	(1,499)	(11,573)	(35,839)	-
(Increase) decrease in due to other funds	232,765	22,004	87	254,856	1,278,270
(Increase) decrease in other current liabilities	(7,463)	(684)	(3,379)	(11,526)	-
(Increase) decrease in closure & postclosure	-	-	-	-	-
Net cash provided (used) by operating activities	$ 2,142,108	$ (87,177)	$ (9,614)	$ 2,045,317	$ (68,220)

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

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Pension Trust Fund	Agency Funds
ASSETS		
Cash & cash equivalents	$ 8,400	$ 719,988
Investments, at fair value		
Equities		
Mutual Funds - Equity	59,048	-
Mutual Funds - Fixed	178,128	-
Total assets	245,575	719,988
LIABILITIES		
Due to others	-	719,988
Total liabilities	-	719,988
NET ASSETS		
Held in trust for pension benefits & other purposes	$ 245,575	$ -

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

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Pension Trust Fund
ADDITIONS	
Contributions	$ -
Employer	-
Investment earnings	
Interest & dividends	7,088
Net increase in the fair value of investments	20,657
Total investment earnings	27,745
Less investments expense	-
	27,745
Total additions	27,745
DEDUCTIONS	
Benefits	5,941
Administrative expenses	-
Total deductions	5,941
Changes in net assets	21,804
Net assets- beginning	223,771
Net assets- ending	$ 245,575

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, 2011, 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 yearend.

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:

General Fund			
Information technology	$ 185,278	$ 552,023	$ (366,745)
Election	232,180	238,681	(6,501)
Magistrate	448,117	505,529	(57,412)
Indigent care	253,052	284,626	(31,574)
Sheriff's department	3,062,435	3,206,874	(144,439)
Criminal justice center	2,007,750	2,166,473	(158,723)
Highway & streets	1,766,306	2,067,274	(300,968)
Health department	306,105	311,187	(5,082)
Library	374,434	375,014	(580)
Planning & engineering	378,251	412,307	(34,056)
Building inspector	260,962	266,937	(5,975)

Deficit Fund Balances

As of June 30, 2011, the County was not in compliance. The E-911 had a deficit fund balance.

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, 2011. 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, 2011, the County had the following investments.

Investments	Fair Value
U.S. Treasury Money Market Funds	$ 1,211,042
LPL Financial Services- Money Mkt Funds	107,211
Georgia Fund 1	6,833,263
	$ 8,151,516

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, 2011, 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, 2011, 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, 2011, 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 non-major 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	$ 242,202	$ -	$ -	$ -	$ -	$ -	$ 242,202
Accounts	1,450,562	619,745	73,795	229,318	1,110	73,815	2,448,345
Intergovernmental	920,252	(350,683)	(346,686)	-	-	-	222,883
	2,613,016	269,062	(272,891)	229,318	1,110	73,815	2,913,430
Gross receivables							
Less: allowance for uncollectibles	(698,092)	-	-	-	-	-	(698,092)
	$ 1,914,924	$ 269,062	$ (272,891)	$ 229,318	$ 1,110	$ 73,815	$ 2,215,338

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)	$ 242,202
	$ 242,202

C. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	$ 3,454,974	$ -	$ -	$ 45,578	$ 3,500,552
Construction in progress	3,181,604	160,831	(1,911,881)	(657,731)	772,823
Total capital assets, not being depreciated	6,636,578	160,831	(1,911,881)	(612,153)	4,273,375
Capital assets, being depreciated					
Buildings	17,195,226	1,067,208	-	-	18,262,434
Infrastructure	66,316,725	2,108,064	-	(38,200)	68,386,589
Improvements other than buildings	1,600,507	-	-	24,950	1,625,457
Machinery and equipment	8,374,248	994,993	(161,311)	(107,068)	9,100,862
Total capital assets, being depreciated	93,486,706	4,170,265	(161,311)	(120,318)	97,375,342
Less accumulated depreciation for:					
Buildings	(4,566,891)	(360,682)	-	-	(4,927,573)
Infrastructure	(42,116,319)	(1,735,234)	-	955	(43,850,598)
Improvements other than buildings	(489,506)	(82,927)	-	(6,662)	(579,095)
Machinery and equipment	(5,633,311)	(955,414)	161,311	13,971	(6,413,443)
Total accumulated depreciation	(52,806,027)	(3,134,257)	161,311	8,264	(55,770,709)
Total capital assets, being depreciated net	40,680,679	1,036,008	(0)	(112,054)	41,604,633
Total governmental activities capital assets, net	$ 47,317,257	$ 1,196,839	$ (1,911,881)	$ (724,207)	$ 45,878,008

C. Capital Assets- Continued

	Balance	Increases	Decreases	Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 2,776,762	$ -	$ -	$ 2,776,762
Construction in progress	627,815	-	(627,815)	-
Total capital assets, not being depreciated	3,404,577	-	(627,815)	2,776,762
Capital assets, being depreciated				
Buildings and infrastructure	33,274,481	1,213,142	-	34,487,623
Improvements other than buildings	262,687	-	-	262,687
Machinery and equipment	847,823	134,136	-	981,959
Total capital assets, being depreciated	34,384,991	1,347,278	-	35,732,269
Less accumulated depreciation for:				
Buildings and system	(8,829,276)	(1,074,246)	(523)	(9,904,045)
Improvements other than buildings	(163,024)	(29,896)	-	(192,920)
Machinery and equipment	(656,736)	(68,506)	-	(725,242)
Total accumulated depreciation	(9,649,036)	(1,172,648)	(523)	(10,822,207)
Total capital assets, being depreciated, net	24,735,955	174,630	(523)	24,910,063
Business-type activities capital assets, net	$ 28,140,532	$ 174,630	$ (628,338)	$ 27,686,825

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

Governmental activities	
General government	$ 221,191
Judicial	11,830
Public safety	614,750
Public works	2,177,264
Health & welfare	16,266
Culture & recreation	79,095
Housing & development	13,861
Total depreciation expense- governmental activities	$ 3,134,257
Business-type activities	
Water and sewer	$ 1,086,009
Solid waste	847
Golf complex	85,792
Total depreciation expense- business-type activities	$ 1,172,648

D. Inter fund Receivables, Payables, and Transfers

The composition of inter fund balances as of June 30, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Medical Fund	662,454
General Fund	SPLOST IV	51,133
General Fund	1% SPLOST #5 BONY Advance Capital Projects Fund	350,482
General Fund	Utility Authority Enterprise Fund	501,917
General Fund	Solid Waste Enterprise Fund	25,363
General Fund	Nonmajor Governmental Funds	218,066
Golf Complex	General Fund	5,119
Nonmajor Governmental	Nonmajor Governmental Funds	16,948
1% SPLOST #4 Capital Projects Fund	1% SPLOST #5 BONY Advance Capital Projects Fund	1,162,300
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 BONY Advance Capital Projects Fund	1% SPLOST #5 BONY Advance Capital Projects Fund	1,504,463
Nonmajor Governmental	General Fund	4,596
Medical	Nonmajor Governmental Funds	87,948
		8,210,500

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, 2011 are as follows:

Transfer In	Transfer Out	Amount
General Fund	Jail fund	46,450
General Fund	Development Authority	298,090
General Fund	Building Inspector	98,235
E-911	General fund	274,814
1% Splost #4	Splost V	1,033,040
Special assessment	1% Splost #4	217,599
Development Authority	General fund	439,486
Bony Splost V	1% Splost #4	1,151,296
Solid Waste Enterprise Fund	General fund	99,250
Splost Bony V	Splost V	2,099,225
1% Splost #4	General fund	68,159
		5,825,644

E. Leases

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.

The future minimum lease payments in total for each of the next five years, including principal and interest are presented as follows:

Year Ending June 30	Governmental Activities	Business-Type Activities	Total
2012	$ 423,790	$ 40,446	$ 464,236
2013	326,484	40,446	366,930
2014	379,399	40,446	419,845
2015-2019	376,173	23,594	399,767
Less: amount representing interest	(127,038)	(23,638)	(150,676)
Total	$ 1,378,808	$ 121,294	$ 1,500,102

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, 2011 was $2,334,898.

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, 2011 was $151,770.

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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	$ -	$ -	$ -	$ 151,770	$ 842	$ 152,612
2012	138,428	122,802	261,230	-	-	-
2013	2,196,470	115,005	2,311,475	-	-	-
	$ 2,334,898	$ 237,807	$ 2,572,705	$ 151,770	$ 842	$ 152,612

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, 2011 was $2,307,935. 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, 2011 was $539,583. 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
2012	$ 253,308	$ 67,150	$ 320,458
2013	258,409	62,048	320,457
2014	263,352	57,105	320,457
2015	268,549	51,909	320,458
2016	273,830	46,628	320,458
2017 - 2021	1,070,357	146,516	1,216,873
2022 - 2026	459,713	15,198	474,911
Total	2,847,518	$ 446,554	$ 3,294,072
Unamortized discounts	(109,727)		
	$ 2,737,791		

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, 2011 was $1,210,000.

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

Year Ending June 30	Principal	Interest	Total
2012	$ 430,000	$ 34,443	$ 464,443
2013	450,000	19,478	469,478
2014	330,000	5,858	335,858
Total	$ 1,210,000	$ 59,779	$ 1,269,779

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 $141,023, at June 30, 2011, was $5,815,000.

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

Year Ending June 30	Principal	Interest	Total
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	5,815,000	$ 457,063	$ 6,272,063
Unamortized premiums	141,023		
	$ 5,956,023		

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
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	635,000	784,018	1,419,018
2017 - 2021	2,970,000	2,912,346	5,882,346
2022 - 2026	4,855,000	2,896,845	7,751,845
2027 - 2031	6,850,000	1,749,004	8,599,004
2032 - 2036	4,815,000	316,497	5,131,497
Total	22,070,000	$ 11,913,704	$ 33,983,704
Unamortized discounts	(190,881)		
	$ 21,879,119		

F. Long-Term Debt- Continued

Changes In Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Balance	Additions	Reductions	Balance	One Year
Governmental activities:					
Compensated absences	$ 520,651	$ 14,684	$ -	$ 535,335	$ 40,910
Capital leases	1,221,956	612,623	455,771	1,378,808	371,058
Notes payable	2,466,555	-	131,657	2,334,898	138,428
Installment sale agreement	1,625,000	-	415,000	1,210,000	430,000
General obligation bonds	7,784,153	-	1,828,130	5,956,023	1,986,023
	$ 13,618,315	$ 627,307	$ 2,830,558	$ 11,415,064	$ 2,966,419
Business-type activities:					
Compensated absences	$ 41,079	$ -	$ -	$ 41,079	$ -
Customer deposits	386,379	9,074	-	395,453	-
Capital leases	4,821	121,294	4,821	121,294	31,851
Notes payable	164,850	-	13,080	151,770	151,770
Loans payable	2,978,846	-	(241,055)	2,737,791	253,308
Revenue bonds payable	20,771,608	1,068,143	(39,368)	21,879,119	415,000
Revenue notes payable	-	-	-	-	-
Closure & post closure care costs	1,045,236	-	-	1,045,236	-
	$ 25,392,819	$ 1,198,511	$ (262,522)	$ 26,371,742	$ 851,929

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	$ -	$ -	$ -	$ 42,381	$ -
JAG Court Services	67,806	-	-	-	-
Animal control building	6,455	-	-	-	-
COPS acquisition fund	-	178	-	-	-
COPS reserve fund	-	42,222	-	-	-
COPS payment fund	-	5,362	-	-	-
Office of treasury- Georgia fund 1	-	-	23	-	-
Colony bank escrow	-	-	90,328	-	-
Emergency fund	-	-	-	-	107,211
Revenue bond 2010 debt service	-	-	-	-	1,163,280
Customer deposits	-	-	-	-	713,567
	$ 74,261	$ 47,762	$ 90,351	$ 42,381	$ 1,984,058

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, 2011 by the County totaled $2,420,563. 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

Closed Single-Employer Defined Benefit Plan

The County adopted a defined benefit pension plan on April 2, 1986, which became effective July 1, 1986. This single-employer plan was funded solely by the County and employee contributions were not permitted. Effective June 1, 1997, the County converted from that particular plan. Under the conversion, all current and future eligible employees were enrolled in a different defined benefit plan. Employees were given credit for the present value of their accrued benefits in the defined benefit plan at conversion. This particular plan was retained for eleven retirees already receiving or eligible to receive benefits and who did not elect to convert to the defined benefit plan.

The County's Closed Single-Employer Defined Plan, administered by Southern Actuarial Services provides retirement and death benefits to plan members and beneficiaries. All persons eligible to receive benefits under this plan are no longer active employees of the County. The benefit provisions of the plan are established by the County ordinance and may be amended 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 fail 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, 2011, the County's annual pension cost of $0 was equal to the County's required contributions. The required contribution was determined as part of the July 1, 2011, 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) 5% 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 8 years as of July 1, 2011.

Three Year Trend Information

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Annual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2009	$ -	$ -	100%	$ -
2010	-	-	100%	-
2011	-	-	100%	-

C. Pensions (Continued)

The following represents the funding progress for the Plan as of the most recent actuarial valuation dates available.

Fiscal Year Ending December 30,	Actual Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
2011	$ 245,575	$ 79,640	$ -	308.4%	N/A	N/A
2010	Not Applicable	N/A	N/A	N/A	N/A	N/A
2009	204,080	81,080	-	251.7%	N/A	N/A
2008	Not Applicable	N/A	N/A	N/A	N/A	N/A
2007	260,564	220,185	-	118.3%	N/A	N/A

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

ACCG Defined Benefit Plan

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Lee County Employees (The Plan), which is a defined benefit pension plan. The Plan provides retirement, disability and death benefits to plan participants and beneficiaries. The plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The Association of County Commissioners Deferred Benefit Plan issues a publically available financial report that includes financial statements and required supplementary information for the statewide plan. That report may be obtained by contacting the Pension Service Company at 1100 Circle 75 Parkway, Suite 320, Atlanta, GA 30339. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provision of The Plan, as provided in Section 19.02 of the ACCG Plan document. All full-time County employees are eligible to participate in the Plan on the employee's employment commencement date. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 or 5 years of vesting service. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.50% of Average Annual Compensation multiplied by years of Credited Service. The plan also provides benefits in the event of death or disability.

Plan Asset Matters and Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include contributions receivable, unrealized gains or losses on marketable securities owned by the Plan and increments in the cash value of death benefits.

Plan member contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

Contributions

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statues.

C. Pensions (Continued)

Funding

The funding policy for the County is to contribute an amount equal to the recommended contribution each year. For the year ending June 30, 2011, the County's annual pension cost was $437,311 and the amount actually contributed was $0. The required contribution was determined as part of the January 1, 2011 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases of 3.5% - 6.0% per year. Both (a) and (b) include an inflation component of 3.0%. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on closed basis. The remaining amortization period at January 1, 2011 was 15 years.

Three Year Trend Information

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Annual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2009	$ 302,200	$ 340,169	116%	$ (43,835)
2010	374,576	362,200	97%	(81,804)
2011	437,311	N/A	N/A	(69,428)

The following represents the funding progress for the Plan as of the most recent actuarial valuation dates available:

Fiscal Year Ending December 30,	Actual Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
2010	$1,611,899	$2,794,652	$1,182,753	57.7%	$7,890,944	15.0%
2009	568,507	1,597,731	1,029,224	35.6%	6,868,118	15.0%
2008	268,181	1,373,916	1,105,735	19.5%	6,059,777	18.2%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

F. Subsequent Events

Subsequent to year end, the County issued $3,350,000 of General Obligation Sales Tax Bonds, Series 2011, to be used to (i) finance certain capital outlay projects for the County and (ii) paying the costs associated with issuing the bonds. The bonds have an interest rate range of 2% - 5% and with final maturity of April 1, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 15,307,000	$ 15,307,000	$ 15,699,410	$ 392,410
Penalties & interest	188,600	188,600	166,590	(22,010)
Licenses & permits	186,700	186,700	183,189	(3,511)
Intergovernmental	5,700	5,700	95,806	90,106
Charges for services	3,668,700	3,668,700	3,745,485	76,785
Fines & forfeitures	756,200	756,200	889,623	133,423
Interest revenue	38,525	38,525	29,308	(9,217)
Miscellaneous	98,350	98,350	215,683	117,333
Total revenues	20,249,775	20,249,775	21,025,094	775,319
EXPENDITURES				
Board of Commissioners	1,055,393	1,055,393	863,230	192,163
County Administrator	599,366	599,366	501,397	97,969
Election & registration	232,180	232,180	238,681	(6,501)
Information technology services	185,278	185,278	552,023	(366,745)
Tax commissioner	351,822	351,822	345,383	6,439
Tax assesor	441,462	441,462	413,540	27,922
General building & plant maintenance	264,565	264,565	234,444	30,121
Clerk, superior court	451,386	451,386	445,963	5,423
Magistrate court	448,117	448,117	505,529	(57,412)
Probate court	231,725	231,725	225,268	6,457
Juvenile court	57,566	57,566	46,040	11,526
District attorney	66,447	66,447	65,447	1,000
Indigent care & defense	253,052	253,052	284,626	(31,574)
Sheriff's department	3,062,435	3,062,435	3,206,874	(144,439)
Criminal justice center	2,007,750	2,007,750	2,166,473	(158,723)
Fire & emergency management	1,887,440	1,887,440	1,873,043	14,397
Emergency medical services	1,852,389	1,852,389	1,847,063	5,326
Coroner	31,804	31,804	24,373	7,431
Animal control	248,386	248,386	201,174	47,212
Highway & streets	1,766,306	1,766,306	2,067,274	(300,968)
Utility billing department	2,258,840	2,258,840	2,223,302	35,538
Health department	306,105	306,105	311,187	(5,082)
Mental health	12,250	12,250	12,250	-
DFACS	22,000	22,000	21,890	110
Recreation	468,078	468,078	443,392	24,686
Library	374,434	374,434	375,014	(580)
Forestry commission	12,890	12,890	12,890	-
Planning & engineering	378,251	378,251	412,307	(34,056)
Building Inspector	260,962	260,962	266,937	(5,975)
County extension services	76,633	76,633	75,943	690
Debt service	584,463	584,463	396,499	187,964
Total expenditures	20,249,775	20,249,775	20,659,456	(409,681)
Excess (deficiency) of revenues over (under) expenditures	-	-	365,638	1,185,000
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(588,847)	(588,847)	(636,235)	47,388
Capital leases	-	-	612,623	612,623
Use of reserves	-	-	-	-
Total other financing sources (uses)	(588,847)	(588,847)	(23,612)	660,011
Net change in fund balances	(588,847)	(588,847)	342,026	1,845,011
Fund balances- beginning	-	-	7,503,352	7,503,352
Fund balances- Ending	$ -	$ -	$ 7,845,378	$ 9,348,363

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	$ 421,635	$ 80,027	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, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 5,856,259	$ 5,442,987
Receivables, net of allowance for uncollectibles		
Taxes	242,202	248,693
Accounts	312,741	244,754
Intergovernmental	439,648	399,272
Prepaid insurance	135,206	473,923
Due from other funds		
E-911 special revenue fund	96,685	96,763
1% SPLOST #4 capital projects fund	-	62,137
1% SPLOST #5 BONY- advance capital projects fund	343,392	350,482
Building inspection special revenue fund	-	85,809
Special assessment special revenue fund	39,269	39,269
Utility authority enterprise fund	1,198,840	979,084
Solid waste enterprise fund	25,363	25,363
Golf complex enterprise fund	-	-
Employee medical internal service fund	4,275,247	2,993,426
Drug education and treatment	899	899
1% SPLOST #5 proceeds	280,225	280,225
Restricted assets		
Cash & cash equivalents	74,262	12,614
Total assets	$ 13,320,238	$ 11,735,700
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 450,906	$ 463,804
Accrued wages, withholdings & benefits	57,721	369,981
Compensated absences payable	40,910	40,910
Due to other funds		
1% SPLOST #4 capital projects fund	-	11,004
1% SPLOST #5 proceeeds	272,935	280,025
Utility authority enterprise fund	476,979	477,167
Golf complex enterprise fund	5,033	5,119
E-911 special revenue fund	4,673	4,673
Employee medical internal service fund	3,923,500	2,330,972
Deferred Revenue		
Property taxes	242,202	248,693
Ambulance fees	-	-
Notes payable- current	-	-
Total liabilities	5,474,859	4,232,348
Fund Balances		
Unreserved, special revenue funds	74,262	12,614
Undesignated	7,771,117	7,490,738
Total fund balances	7,845,378	7,503,352
Total liabilities & fund balances	$ 13,320,238	$ 11,735,700

General Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Taxes	$ 15,866,000	$ 15,553,427
Licenses & permits	183,189	210,185
Intergovernmental	95,806	28,767
Charges for services	3,745,485	3,358,041
Fine & forfeitures	889,623	862,319
Investment income	29,308	55,284
Miscellaneous	215,683	234,136
Total revenues	21,025,094	20,302,159
EXPENDITURES		
Current		
General government	5,372,003	4,981,088
Judicial	1,572,873	1,455,281
Public safety	9,319,000	8,318,424
Public works	2,067,274	1,838,901
Health & welfare	421,268	414,752
Culture & recreation	818,406	771,900
Housing & development	692,133	670,601
Debt service	396,499	510,799
Total expenditures	20,659,456	18,961,746
Excess (deficiency) of revenues over (under) expenditures	365,638	1,340,413
OTHER FINANCING SOURCES (USES)		
Transfers in		
Jail special revenue fund	46,450	37,270
1% SPLOST #4 capital projects fund	(831)	170,000
Building inspector special revenue fund	-	415,438
Use of SPLOST V	-	278,500
Development authority special revenue fund	298,090	-
Transfers out		
Building Inspection	(98,235)	-
1% SPLOST #4 capital projects fund	(68,159)	-
E-911 special revenue fund	(274,814)	(286,306)
Development authority special revenue fund	(439,486)	(439,486)
Utility authority enterprise fund	-	(364,765)
Solid waste enterprise fund	(99,250)	(64,800)
Capital leases	612,623	-
Total other financing sources (uses)	(23,612)	(254,149)
Net change in fund balances	342,026	1,086,264
Fund balance- beginning	7,503,352	6,417,088
Fund balance- Ending	$ 7,845,378	$ 7,503,352

Development Authority Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 523,266	$ 701,357
Total assets	$ 523,266	$ 701,357
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	523,266	701,357
Total fund balances	523,266	701,357
Total liabilities & fund balances	$ 523,266	$ 701,357

Development Authority Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Interest revenues	$ 3,482	$ 12,063
Miscellaneous	120,000	-
Total revenues	123,482	12,063
EXPENDITURES		
Current		
Housing & development	181,740	175,186
Debt service	261,230	261,230
Total expenditures	442,970	436,416
Excess (deficiency) of revenues over (under) expenditures	(319,488)	(424,353)
OTHER FINANCING SOURCES (USES)		
Transfers in (out)		
General fund	141,396	439,485
Proceeds of capital asset dispositions	-	361,738
Total other financing sources (uses)	141,396	801,223
Net changes in fund balances	(178,092)	376,870
Fund balances- beginning	701,357	324,487
Fund balances- Ending	$ 523,265	$ 701,357

Development Authority Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest revenue	$ 3,482	$ 3,482	$ 3,482	$ -
Miscellaneous	120,000	120,000	120,000	
Total revenue	123,482	123,482	123,482	-
EXPENDITURES				
Current				
Housing & development	184,318	184,318	184,318	-
Debt servicing	261,230	261,230	261,230	-
Total expenditures	445,548	445,548	445,548	-
Excess (deficiency) of revenues over (under) expenditures	(322,066)	(322,066)	(322,066)	-
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	143,975	143,975	143,975	-
Total other financing sources (uses)	143,975	143,975	143,975	-
Net change in fund balances	(178,091)	(178,091)	(178,091)	-
Fund balances- beginning	701,357	701,357	701,357	-
Fund balances- Ending	$ 523,266	$ 523,266	$ 523,266	$ -

1% SPLOST #4 Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 222,712	$ 1,298,939
Due from other funds		
General fund	-	11,044
1% SPLOST #5 BONY- advance capital projects fund	-	1,151,296
Restricted assets		
Cash & cash equivalents	47,762	47,762
Total assets	$ 270,474	$ 2,509,041
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 27,368	$ 256,477
Due to other funds	-	1,095,177
Total liabilities	27,368	1,351,654
Fund Balances		
Reserved for capital expenditure	243,106	47,762
Unreserved	-	1,109,585
Total fund balances	243,106	1,157,347
Total liabilities & fund balances	$ 270,474	$ 2,509,001

1% SPLOST #4 Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Taxes		
General sales & use		
Special purpose local option sales & use	$ 52,469	$ -
Charges for services		
State road maintenance fees	1,816	13,892
Interest revenue	1,173	9,576
Total revenues	55,458	23,468
EXPENDITURES		
Current		
Public works	-	35,910
Capital outlay	178,616	2,014,556
Public safety	20,548	-
Intergovernmental	501,089	-
Total expenditures	700,253	2,050,466
Excess (deficiency) of revenues over (under) expenditures	(644,795)	(2,026,998)
OTHER FINANCING SOURCES (USES)		
Transfers in		
1% SPLOST #3 capital projects fund	-	-
SPLOST debt service fund	-	-
Transfers out	(269,446)	(170,000)
Total other financing sources (uses)	(269,446)	(170,000)
Net change in fund balances	(914,241)	(2,196,998)
Fund balance- beginning	1,157,347	3,354,345
Fund balance- Ending	$ 243,106	$ 1,157,347

1% SPLOST #5 BONY- Advance Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Due from other funds		
Splost V proceeds F245	$ (575,362)	$ 1,504,463
Restricted assets		
Cash & cash equivalents	90,351	31,442
Total assets	$ (485,011)	$ 1,535,905
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 4,213	$ 906,118
Due to other funds	-	2,273,325
Total liabilities	4,213	3,179,443
Fund Balances		
Reserved for capital expenditure	(489,224)	31,442
Unreserved	-	(1,674,980)
Total fund balances	(489,224)	(1,643,538)
Total liabilities & fund balances	$ (485,011)	$ 1,535,905

1% SPLOST #5 BONY- Advance Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Interest revenue	$ 3,019	$ 79,079
Total revenues	3,019	79,079
EXPENDITURES		
Current		
Capital outlay	-	1,508,391
Debt service	2,099,226	2,540,179
Total expenditures	2,099,226	4,048,570
Excess (deficiency) of revenues over (under) expenditures	(2,096,207)	(3,969,491)
OTHER FINANCING SOURCES (USES)		
Transfers In	3,250,521	2,540,179
Loss on disposal	-	(33,051)
Total other financing sources (uses)	3,250,521	2,507,128
Net change in fund balances	1,154,314	(1,462,363)
Fund balance- beginning	(1,643,538)	(181,175)
Fund balance- Ending	$ (489,224)	$ (1,643,538)

1% SPLOST #5 Tax Proceeds Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 3,259,670	$ 4,007,571
Receivables, net of allowance for uncollectibles		
Intergovernmental	844,424	562,557
Due from other funds		
General fund F100	-	280,025
Splost V BONY fund F225	-	2,586,671
Splost IV fund F225	-	1,033,040
Total assets	$ 4,104,094	$ 8,469,864
LIABILITIES & FUND BALANCES		
Due to other funds		
General fund F100	-	280,225
Accounts payable	18,459	-
Splost V fund Bony F235	-	3,319,587
Total liabilities	18,459	3,599,812
Fund Balances		
Reserved for capital expenditure	4,085,635	4,007,571
Unreserved	-	862,681
Total fund balances	4,085,635	4,870,252
Total liabilities & fund balances	$ 4,104,094	$ 8,470,064

1% SPLOST #5 Tax Proceeds Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Taxes		
General sales & use		
Special purpose local option sales & use	$ 4,413,824	$ 3,486,504
Interest revenue	4,691	11,208
Miscellaneous	-	-
Total revenues	4,418,515	3,497,712
EXPENDITURES		
	1,607,279	829,466
Total expenditures	1,607,279	829,466
Excess (deficiency) of revenues over (under) expenditures	2,811,236	2,668,246
OTHER FINANCING SOURCES (USES)		
Transfers in		
SPLOST debt service fund	-	-
Transfers out		
General fund	-	(278,500)
BONY SPLOST V	(3,132,264)	(2,540,179)
Debt Service	(463,389)	(26,778)
Total other financing sources (uses)	(3,595,653)	(2,845,457)
Net change in fund balances	(784,417)	(177,211)
Fund balance- beginning	4,870,052	5,047,263
Fund balance- Ending	$ 4,085,635	$ 4,870,052

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, 2011

	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	$ 63,010	$ 19,918	$ 406	$ 32,492	$ 17,928	$ 12,920	$ 818,353	$ 15,098	$ 980,125
Receivables, net of allowance for uncollectibles	746	4,683	(176)	-	75	68,467	-	-	73,795
Intergovernmental receivable	(899)	-	-	-	-	(305,989)	(39,798)	-	(346,686)
Restricted assets	-	-	-	-	-	-	-	-	-
Cash & cash equivalents	-	-	-	-	-	42,381	-	-	42,381
Accounts receivable	-	-	-	-	-	-	-	-	-
Total Assets	$ 62,857	$ 24,601	$ 230	$ 32,492	$ 18,003	$ (182,221)	$ 778,555	$ 15,098	$ 749,615
LIABILITIES & FUND EQUITY									
Liabilities									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 8,122	$ -	$ -	$ 8,122
Accrued wages, withholdings & benefits	-	-	-	-	-	4,320	-	-	4,320
Compensated absences payable	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	12,442	-	-	12,442
Fund balances									
Reserved for capital expenditure	-	-	-	-	-	42,381	-	-	42,381
Unreserved	62,857	24,601	230	32,492	18,003	(237,044)	778,555	15,098	694,792
Total fund balances	62,857	24,601	230	32,492	18,003	(194,663)	778,555	15,098	737,173
Total liabilities & fund balances	$ 62,857	$ 24,601	$ 230	$ 32,492	$ 18,003	$ (182,221)	$ 778,555	$ 15,098	$ 749,615

Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures & Changes in Fund Balances
For the Year Ended June 30, 2011

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,589	$ 3,589
Charges for services	10,669	46,213	-	102,513	9,960	388,183	60,858	-	618,396
Interest revenue	611	338	3	298	32	167	6,919	182	8,550
Total revenues	11,280	46,551	3	102,811	9,992	388,350	67,777	3,771	630,535
EXPENDITURES									
Current									
Public safety	21,222	-	-	31,730	-	642,993	-	-	695,945
Housing & development	-	-	-	-	-	-	81,051	-	81,051
Culture & recreation								3,500	3,500
Capital outlay	-	-	-	66,054	-	-	-	-	66,054
Debt service	-	-	-	-	-	140,454	-	-	140,454
Total expenditures	21,222	-	-	97,784	-	783,447	81,051	3,500	987,004
Excess (deficiency) of revenues over (under) expenditures	(9,942)	46,551	3	5,027	9,992	(395,097)	(13,274)	271	(356,469)
OTHER FINANCING SOURCES (USES)									
Transfer in	-	-	98,235	-	-	274,814	217,599	-	590,648
Transfer out	-	(46,449)	-	-	-		-	-	(46,449)
Total other financing sources (uses)	-	(46,449)	98,235	-	-	274,814	217,599	-	544,199
net change in fund balances	(9,942)	102	98,238	5,027	9,992	(120,283)	204,325	271	187,730
Fund balances- beginning	72,799	24,499	(98,008)	27,465	8,010	(74,380)	574,231	14,827	549,443
Fund balances- ending	$ 62,857	$ 24,601	$ 230	$ 32,492	$ 18,003	$ (194,663)	$ 778,555	$ 15,098	$ 737,173

Drug Abuse Treatment & Education Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 63,010	$ 73,284
Accounts receivable	746	414
Total assets	$ 63,756	$ 73,284
LIABILITIES & FUND BALANCES		
Liabilities	$ 899	$ 899
Total liabilities	899	899
Fund Balances		
Unreserved	62,857	72,799
Total fund balances	62,857	72,799
Total liabilities & fund balances	$ 63,756	$ 73,698

Drug Abuse Treatment & Education Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Fines & forfeitures	$ 10,669	$ 21,093
Interest revenues	611	1,286
Total revenues	11,280	22,379
EXPENDITURES		
Current		
Public Safety	21,222	10,216
Total expenditures	21,222	10,216
Excess (deficiency) of revenues over (under) expenditures	(9,942)	12,163
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net changes in fund balances	(9,942)	12,163
Fund balances- beginning	72,799	60,637
Fund balances- Ending	$ 62,857	$ 72,799

Drug Abuse Treatment & Education Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2011

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Fines & forfeitures	$ 20,900	$ 10,669	$ (10,231)
Interest revenue	-	611	611
Total revenue	20,900	11,280	(9,620)
EXPENDITURES			
Current			
Public Safety	20,900	21,222	(322)
Total expenditures	20,900	21,222	(322)
Excess (deficiency) of revenues over (under) expenditures	-	(9,942)	(9,298)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(9,942)	(9,298)
Fund balances- beginning	72,799	72,799	-
Fund balances- Ending	$ 72,799	$ 62,857	$ (9,298)

Jail Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 19,918	$ 21,620
Accounts receivable	4,683	2,879
Total assets	$ 24,601	$ 21,620
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	24,601	21,620
Total fund balances	24,601	21,620
Total liabilities & fund balances	$ 24,601	$ 21,620

Jail Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Fines & forfeitures	$ 46,213	$ 49,216
Interest revenues	338	583
Total revenues	46,551	49,799
EXPENDITURES		
Current		
Public Safety	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	46,551	49,799
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	(46,449)	(37,270)
Total other financing sources (uses)	(46,449)	(37,270)
Net changes in fund balances	102	12,529
Fund balances- beginning	24,499	11,969
Fund balances- Ending	$ 24,601	$ 24,498

Jail Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2011

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Fines & forfeitures	$ 46,450	$ 46,213	$ (237)
Interest revenue	-	338	338
Total revenue	46,450	46,551	101
EXPENDITURES			
Current			
Public Safety	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	46,450	46,551	101
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(46,450)	(46,449)	1
Total other financing sources (uses)	(46,450)	(46,449)	1
Net change in fund balances	-	102	102
Fund balances- beginning	24,499	24,499	-
Fund balances- Ending	$ 24,499	$ 24,601	$ 102

Building Inspection Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 406	$ 403
Due from other funds	-	16,948
Total assets	$ 406	$ 17,351
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 176	$ 176
Accrued wages, withholdings & benefits	-	-
Due to other funds	-	115,183
Total liabilities	176	115,359
Fund Balances		
Unreserved	230	(98,008)
Total fund balances	230	(98,008)
Total liabilities & fund balances	$ 406	$ 17,351

Building Inspection Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Taxes	$ -	$ -
Licenses & permits	-	-
Charges for services	-	-
Interest revenue	3	403
Miscellaneous	-	-
Total revenues	3	403
EXPENDITURES		
Current		
Housing & development	-	923
Capital outlay	-	-
Total expenditures	-	923
Excess (deficiency) of revenues over (under) expenditures	3	(520)
OTHER FINANCING SOURCES (USES)		
Transfers in	98,235	-
Transfers out		
Hotel/motel tax special revenue fund	-	(415,436)
Total other financing sources (uses)	98,235	(415,436)
Net change in fund balances	98,238	(415,956)
Fund balance- beginning	(98,008)	317,948
Fund balance- Ending	$ 230	$ (98,008)

Building Inspection Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2011

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	$ -	$ -	$ -
Licenses & permits	-	-	-
Charges for services	-	-	-
Interest revenue	-	3	3
Miscellaneous	-	-	-
Total revenue	-	3	3
EXPENDITURES			
Current			
Housing & development	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	3	3
OTHER FINANCING SOURCES (USES)			
Transfers in	-	98,235	98,235
Transfers out	-	-	-
Total other financing sources (uses)	-	98,235	98,235
Net change in fund balances	-	98,238	98,238
Fund balances- beginning	-	(98,008)	(98,008)
Fund balances- Ending	$ -	$ 230	$ 230

District Attorney Forfeiture Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 32,492	$ 27,465
Total assets	$ 32,492	$ 27,465
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	32,492	27,465
Total fund balances	32,492	27,465
Total liabilities & fund balances	$ 32,492	$ 27,465

District Attorney Forfeiture Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Licenses & permits	$ -	$ -
Fines & forfeitures	102,513	47,611
Interest revenue	298	418
Miscellaneous	-	-
Total revenues	102,811	48,029
EXPENDITURES		
Current		
Public Safety	31,730	20,314
Capital outlay	66,054	10,770
Total expenditures	97,784	31,084
Excess (deficiency) of revenues over (under) expenditures	5,027	16,945
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	5,027	16,945
Fund balance- beginning	27,465	10,520
Fund balance- Ending	$ 32,492	$ 27,465

District Attorney Forfeiture Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2011

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses & permits	$ -	$ -	$ -
Fines & forfeitures	27,890	102,513	74,623
Interest revenue	-	298	298
Miscellaneous	-	-	-
Total revenue	27,890	102,811	74,921
EXPENDITURES			
Current			
Public Safety	27,890	31,730	(3,840)
Capital outlay	-	66,054	(66,054)
Total expenditures	27,890	97,784	(69,894)
Excess (deficiency) of revenues over (under) expenditures	-	5,027	144,815
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	5,027	144,815
Fund balances- beginning	27,465	27,465	-
Fund balances- Ending	$ 27,465	$ 32,492	$ 144,815

Law Library Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 17,928	$ 8,302
Receivables	75	-
Total assets	$ 18,003	$ 8,302
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ 292
Total liabilities	-	292
Fund Balances		
Unreserved	18,003	8,010
Total fund balances	18,003	8,010
Total liabilities & fund balances	$ 18,003	$ 8,302

Law Library Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Licenses & permits	$ -	$ -
Fines & forfeitures	9,960	8,001
Interest revenue	32	9
Miscellaneous	-	-
Total revenues	9,992	8,010
EXPENDITURES		
Current		
Public Safety	-	-
Capital outlay	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	9,992	8,010
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	9,992	8,010
Fund balance- beginning	8,010	-
Fund balance- Ending	$ 18,003	$ 8,010

Law Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2011

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses & permits	$ -	$ -	$ -
Fines & forfeitures	7,000	9,960	2,960
Interest revenue	-	32	32
Miscellaneous	-	-	-
Total revenue	7,000	9,992	2,992
EXPENDITURES			
Current			
Public Safety	7,000	-	7,000
Capital outlay	-	-	-
Total expenditures	7,000	-	7,000
Excess (deficiency) of revenues over (under) expenditures	-	9,992	(4,008)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	9,992	(4,008)
Fund balances- beginning	8,010	8,010	-
Fund balances- Ending	$ 8,010	$ 18,003	$ (4,008)

E-911 Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 12,920	$ 3,445
Receivables (net of allowance for uncollectibles)	68,467	-
Intergovernmental receivable		
General fund	(305,989)	4,596
Restricted assets		
Cash & cash equivalents	42,381	48,248
Accounts receivable	-	62,773
Total assets	$ (182,221)	$ 119,062
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 8,122	$ 6,106
Accrued wages, withholdings & benefits	4,320	15,129
Compensated absences payable	-	-
Due to other funds	-	172,207
Total liabilities	12,442	193,442
Fund Balances		
Reserved for capital expenditures	42,381	111,021
Unreserved	(237,044)	(185,401)
Total fund balances	(194,663)	(74,380)
Total liabilities & fund balances	$ (182,221)	$ 119,062

E-911 Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Charges for services		
E-911 Charges	$ 388,183	$ 465,027
Interest revenue	167	626
Miscellaneous	-	-
Total revenues	388,350	465,653
EXPENDITURES		
Current		
Public safety	642,993	569,236
Capital outlay	-	-
Debt service	140,454	140,454
Total expenditures	783,447	709,690
Excess (deficiency) of revenues over (under) expenditures	(395,097)	(244,037)
OTHER FINANCING SOURCES (USES)		
Transfers in		
General fund	274,814	286,306
Transfers out	-	-
Capital leases	-	-
Total other financing sources (uses)	274,814	286,306
Net change in fund balances	(120,283)	42,269
Fund balance- beginning	(74,380)	(116,649)
Fund balance- Ending	$ (194,663)	$ (74,380)

E-911 Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2011

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services			
E-911 charges	$ 396,300	$ 388,183	$ (8,117)
Interest revenue	-	167	167
Miscellaneous	-	-	-
Total revenue	396,300	388,350	(7,950)
EXPENDITURES			
Current			
Public Safety	686,582	642,993	43,589
Capital outlay	-	-	-
Debt service	140,454	140,454	-
Total expenditures	827,036	783,447	43,589
Excess (deficiency) of revenues over (under) expenditures	(430,736)	(395,097)	(51,539)
OTHER FINANCING SOURCES (USES)			
Transfers in	428,864	274,814	(154,050)
Transfers out	-	-	-
Total other financing sources (uses)	428,864	274,814	(154,050)
Net change in fund balances	(1,872)	(120,283)	(205,589)
Fund balances- beginning	(74,380)	(74,380)	-
Fund balances- Ending	$ (76,252)	$ (194,663)	$ (205,589)

Special Assessment Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 818,353	$ 613,951
Intergovernmental receivable	(39,798)	16,948
Total assets	$ 778,555	$ 630,899
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ -	$ 451
Due to other funds	-	16,948
Due to General fund	-	39,269
Total liabilities	-	56,668
Fund Balances		
Unreserved	778,555	574,231
Total fund balances	778,555	574,231
Total liabilities & fund balances	$ 778,555	$ 630,899

Special Assessment Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Charges for services		
Impact fees	$ 60,858	$ 74,724
Interest revenue	6,919	16,718
Total revenues	67,777	91,441
EXPENDITURES		
Current		
Housing & development	81,051	68,879
Capital outlay	-	448,689
Total expenditures	81,051	517,568
Excess (deficiency) of revenues over (under) expenditures	(13,274)	(426,127)
OTHER FINANCING SOURCES (USES)		
Transfers in	217,599	-
Transfers out		
General fund	-	-
Total other financing sources (uses)	217,599	-
Net change in fund balances	204,325	(426,127)
Fund balance- beginning	574,231	1,000,358
Fund balance- Ending	$ 778,555	$ 574,231

Special Assessment Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2011

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services			
Impact fees	$ 89,985	$ 60,858	$ (29,127)
Interest revenue	-	6,919	6,919
Total revenue	89,985	67,777	(22,208)
EXPENDITURES			
Current			
Housing & development	83,985	81,051	2,934
Capital outlay	-	-	-
Total expenditures	83,985	81,051	2,934
Excess (deficiency) of revenues over (under) expenditures	6,000	(13,274)	(25,142)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	217,599	217,599
Transfers out	-	-	-
Total other financing sources (uses)	-	217,599	217,599
Net change in fund balances	6,000	204,325	192,457
Fund balances- beginning	574,231	574,231	-
Fund balances- Ending	$ 580,231	$ 778,555	$ 192,457

Hotel/Motel Tax Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash & cash equivalents	$ 15,098	$ 14,827
Due from other funds		
Building inspection special revenue fund	-	-
Total assets	$ 15,098	$ 14,827
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	15,098	14,827
Total fund balances	15,098	14,827
Total liabilities & fund balances	$ 15,098	$ 14,827

Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2011 and 2010

	2011	2010
REVENUES		
Taxes		
Hotel/motel	$ 3,589	$ 3,479
Interest revenue	182	$ 362
Total revenues	3,771	3,841
EXPENDITURES		
Culture & recreation	3,500	-
Total expenditures	3,500	-
Excess (deficiency) of revenues over (under) expenditures	271	3,841
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	271	3,841
Fund balance- beginning	14,827	10,986
Fund balance- Ending	$ 15,098	$ 14,827

Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2011

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	$ 3,825	$ 3,589	$ (236)
Interest	-	182	182
Total revenue	3,825	3,771	(54)
EXPENDITURES			
Expenses	3,825	3,500	325
Total expenditures	3,825	3,500	325
Excess (deficiency) of revenues over (under) expenditures	-	271	(379)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	271	(379)
Fund balances- beginning	14,827	14,827	-
Fund balances- Ending	$ 14,827	$ 15,098	$ (379)

Major Proprietary Funds

Utility Authority Enterprise Fund
Schedule of Net Assets
June 30, 2011 and 2010

	2011	2010
ASSETS		
Current Assets		
Cash & cash equivalents	$ 866,393	$ 284,834
Receivables, net of allowance for uncollectibles	229,300	143,633
Due from other funds		
General fund	(721,843)	(501,917)
Prepaid items	13,212	13,212
Inventory	-	-
Restricted assets		
Cash & cash equivalents	1,270,491	1,221,514
Total current assets	1,657,553	1,161,276
Noncurrent Assets		
Restricted assets		
Cash & cash equivalents	646,401	541,826
Investments	-	-
Total restricted assets	646,401	541,826
Deferred charges	1,101,827	43,790
Capital assets not being depreciated		
Land	77,310	77,310
Construction in progress	-	627,815
Capital assets net of accumulated depreciated		
Buildings & infrastructure	23,974,362	23,847,751
Machinery & equipment	-	-
Total capital assets net of accumulated depreciation	24,051,672	24,552,876
Total noncurrent assets	25,799,900	25,138,492
Total assets	27,457,453	26,299,768
LIABILITIES		
Current liabilities		
Accounts payable	37,453	41,314
Accrued wages & withholdings	(11,672)	7,564
Due to other funds	134,912	138,462
Accrued interest payable	350,174	12,490
Deferred revenue	109,727	117,337
Loans payable- current	253,308	248,665
Revenue bonds payable- current	415,000	-
Revenue notes payable- current	-	-
Capital leases payable- current	-	4,821
Other current liabilities	-	248,291
Total current liabilities	1,288,902	818,944
Noncurrent liabilities		
Customer deposits	395,453	386,380
Compensated absences	23,077	23,077
Loans payable	2,484,483	2,730,182
Capital leases payable	-	-
Revenue bonds payable	21,464,119	20,771,608
Revenue notes payable	-	-
Total noncurrent liabilities	24,367,132	23,911,247
Total liabilities	25,656,034	24,730,191
NET ASSETS		
Invested in capital assets, net of related debt	(565,238)	797,599
Restricted	1,061,538	1,247,133
Unrestricted	1,305,119	(481,872)
Total net assets	$ 1,801,419	$ 1,562,860

Utility Authority Enterprise Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
OPERATING REVENUES		
Changes for sales & services		
Water & sewer charges	$ 3,026,601	$ 2,875,140
Tap, meter & reconnect fees	341,288	378,440
Other	99,541	177,298
Total operating revenues	3,467,430	3,430,878
OPERATING EXPENSES		
Personal services & employee benefits	565,541	582,226
Purchased/contracted services	395,648	360,872
Supplies	240,548	530,927
Depreciation	1,086,009	990,003
Total operating expenses	2,287,746	2,464,028
Operating income (loss)	1,179,684	966,850
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	-	-
Investment income	15,301	26,560
Contributions & donations	7,610	7,510
Interest on long-term debt	(918,532)	(1,465,840)
Fiscal agent's fees	(2,771)	(3,877)
Bond issuance costs	(42,713)	(1,518,557)
Total nonoperating revenues (expenses)	(941,105)	(2,954,204)
Income (loss) before contributions & transfers	238,579	(1,987,354)
Capital contributions	-	-
Transfers in		
General fund	-	364,765
Federal grant special revenue fund	-	-
Transfers out		
General fund	-	-
Net income (loss)	238,579	(1,622,589)
Net assets- beginning of year	1,562,840	3,185,429
Net assets- end of year	$ 1,801,419	$ 1,562,840

Utility Authority Enterprise Fund
Schedule of Cash Flows
For the Year Ended June 30, 2011

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 3,684,084	$ 3,685,947
Payments to suppliers	(960,867)	(755,940)
Payments to employees	(527,853)	(501,310)
Payments for interfund services used	(53,256)	(71,006)
Net cash provided (used) by operating activities	2,142,108	2,357,691
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	-	364,765
Net cash provided (used) by noncapital financing	-	364,765
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
Proceeds from capital debt	-	22,070,000
Acquisition & construction of capital assets	(597,626)	(721,878)
Principal paid on capital debt	(248,665)	(22,052,513)
Interest paid on capital debt	(573,238)	(1,124,610)
Payments of fiscal agent's fees	(2,771)	(3,877)
Debt issuance costs	-	(1,298,370)
Grants	-	-
Net cash provided (used) by capital related financing activities	(1,422,300)	(3,131,248)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales & maturities of investments	-	-
Purchase of investments	-	-
Investment income	15,301	26,559
Net cash provided (used) by investing activities	15,301	26,559
Net increase (decrease) in cash & cash equivalents	735,109	(382,233)
Cash & cash equivalents- beginning of year	2,048,175	2,430,408
Cash & cash equivalents- end of year	$ 2,783,284	$ 2,048,175
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ 853,251	$ 966,850
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	1,086,009	990,003
(Increase) decrease in accounts receivable	7,543	221,315
(Increase) decrease in other assets	-	-
(Increase) decrease in due from other funds	-	-
(increase) decrease in prepaid items	-	-
(increase) decrease in accounts payable	(7,230)	(29,361)
(Increase) decrease in accrued wages & withholdings	(22,767)	16,312
(Increase) decrease in deferred revenue	-	-
(Increase) decrease in compensated absences payable	-	-
(Increase) decrease in due to other funds	232,765	166,491
(Increase) decrease in other current liabilities	(7,463)	26,081
(Increase) decrease in customer deposits	-	-
Net cash provided (used) by operating activities	$ 2,142,108	$ 2,357,691

Solid Waste Enterprise Fund
Schedule of Net Assets
June 30, 2011 and 2010

	2011	2010
ASSETS		
Current Assets		
Cash & cash equivalents	$ 14,338	$ 2,204
Receivables, net of allowance for uncollectibles	1,190	1,110
Due from other funds		
General	(25,381)	(25,363)
Prepaid items	568	568
Total current assets	(9,285)	(21,481)
Noncurrent Assets		
Capital assets not being depreciated		
Land	163,000	163,000
Capital assets net of accumulated depreciated		
Machinery & equipment	9,181	10,029
Total capital assets net of accumulated depreciation	172,181	173,029
Total noncurrent assets	172,181	173,029
Total assets	162,896	151,548
LIABILITIES		
Current liabilities		
Accounts payable	17,374	8,965
Accrued wages & withholdings	480	1,979
Due to other funds		
General fund	44,035	22,735
Employee medical internal service fund	-	-
Closure & post closure care costs	-	30,282
Total current liabilities	61,889	63,961
Noncurrent liabilities		
Compensated absences	4,020	4,020
Closure & post closure care costs	1,045,236	1,014,954
Total noncurrent liabilities	1,049,256	1,018,974
Total liabilities	1,111,145	1,082,935
NET ASSETS		
Invested in capital assets, net of related debt	172,181	173,029
Restricted	-	-
Unrestricted	(1,120,430)	(1,104,416)
Total net assets	$ (948,249)	$ (931,387)

Solid Waste Enterprise Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
OPERATING REVENUES		
Changes for sales & services		
Disposal fees	$ 118,640	$ 100,749
Other	-	-
Total operating revenues	118,640	100,749
OPERATING EXPENSES		
Personal services & employee benefits	72,134	71,077
Purchased/contracted services	155,857	141,965
Supplies	5,975	6,495
Depreciation	847	847
Total operating expenses	234,813	220,384
Operating income (loss)	(116,173)	(119,635)
NONOPERATING REVENUES (EXPENSES)		
Interest revenues	61	241
Total nonoperating revenues (expenses)	61	241
Income (loss) before contributions & transfers	(116,112)	(119,394)
Transfers in		
General fund	99,250	64,800
Transfers out	-	-
Net income (loss)	(16,862)	(54,594)
Net assets- beginning of year	(931,387)	(876,793)
Net assets- end of year	$ (948,249)	$ (931,387)

Solid Waste Enterprise Fund
Schedule of Cash Flows
For the Year Ended June 30, 2011

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 117,876	$ 104,730
Payments to suppliers	(131,420)	(151,755)
Payments to employees	(52,333)	(49,545)
Payments for interfund services used	(21,300)	(21,300)
Net cash provided (used) by operating activities	(87,177)	(117,870)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in		
General fund	99,250	64,800
Net cash provided (used) by noncapital financing	99,250	64,800
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
	-	-
Net cash provided (used) by capital related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	61	223
Net cash provided (used) by investing activities	61	223
Net increase (decrease) in cash & cash equivalents	12,134	(52,847)
Cash & cash equivalents- beginning of year	2,204	55,051
Cash & cash equivalents- end of year	$ 14,338	$ 2,204
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ (116,173)	$ (119,635)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	847	847
(Increase) decrease in accounts receivable	(80)	-
(Increase) decrease in other assets	-	-
(increase) decrease in prepaid items	-	-
(increase) decrease in accounts payable	8,408	6,824
(Increase) decrease in accrued wages & withholdings	(1,499)	936
(Increase) decrease in due to other funds	22,004	(704)
(Increase) decrease in other current liabilities	(684)	3,981
(Increase) decrease in closure & postclosure	-	(10,119)
Net cash provided (used) by operating activities	$ (87,177)	$ (117,870)

Golf Complex Enterprise Fund
Schedule of Net Assets
June 30, 2011 and 2010

	2011	2010
ASSETS		
Current Assets		
Cash & cash equivalents	$ 28,906	$ 88,879
Receivables, net of allowance for uncollectibles	73,815	50,358
Due from other funds		
General fund	5,033	5,119
Inventories	22,034	15,693
Prepaid items	6,496	6,479
Total current assets	136,284	166,528
Noncurrent Assets		
Capital assets not being depreciated		
Land	2,536,452	2,536,452
Capital assets net of accumulated depreciated		
Buildings & infrastructure	623,418	643,018
Improvements other than buildings	125,663	155,559
Machinery & equipment	177,438	79,599
Total capital assets net of accumulated depreciation	3,462,971	3,414,628
Total noncurrent assets	3,462,971	3,414,628
Total assets	3,599,255	3,581,156
LIABILITIES		
Current liabilities		
Accounts payable	14,914	27,988
Accrued wages & withholdings	53,849	68,783
Compensated absences	-	2,514
Due to other funds		
General fund	-	-
Employee medical internal service fund	-	-
Deferred revenue	17,229	17,229
Notes payable- current	183,621	164,829
Other current liabilities	-	-
Total current liabilities	269,613	281,343
Noncurrent liabilities		
Compensated absences	13,982	11,468
Notes payable	89,443	-
Total noncurrent liabilities	103,425	11,468
Total liabilities	373,038	292,811
NET ASSETS		
Invested in capital assets, net of related debt	3,189,907	3,249,799
Restricted	-	-
Unrestricted	36,310	38,546
Total net assets	$ 3,226,217	$ 3,288,345

Golf Complex Enterprise Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
OPERATING REVENUES		
Changes for sales & services	$ 893,112	$ 885,609
Total operating revenues	893,112	885,609
OPERATING EXPENSES		
Personal services & employee benefits	437,702	401,534
Purchased/contracted services	245,998	269,901
Supplies	161,289	157,187
Depreciation	85,792	72,825
Total operating expenses	930,781	901,447
Operating income (loss)	(37,669)	(15,838)
NONOPERATING REVENUES (EXPENSES)		
Interest revenues	779	1,240
Interest on long-term debt	(25,237)	(9,957)
Gain/loss on sale of capital assets	-	-
Total nonoperating revenues (expenses)	(24,458)	(8,717)
Income (loss) before contributions & transfers	(62,127)	(24,555)
Capital contributions		
Transfers in		
General fund	-	-
Transfers out	-	-
Net income (loss)	(62,127)	(24,555)
Net assets- beginning of year	3,288,344	3,312,899
Net assets- end of year	$ 3,226,217	$ 3,288,344

Golf Complex Enterprise Fund
Schedule of Cash Flows
For the Year Ended June 30, 2011

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 869,655	$ 874,637
Payments to suppliers	(429,994)	(408,816)
Payments to employees	(417,325)	(368,256)
Payments for interfund services used	(31,950)	(31,950)
Net cash provided (used) by operating activities	(9,614)	65,615
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
	-	-
Net cash provided (used) by noncapital financing	-	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
Acquisition & construction of capital assets	-	(139)
Principal paid on capital debt	(25,901)	(2,329)
Interest paid on capital debt	(25,237)	(9,957)
Proceeds from sale of capital assets	-	-
Net cash provided (used) by capital related financing activities	(51,138)	(12,425)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	779	1,240
Net cash provided (used) by investing activities	779	1,240
Net increase (decrease) in cash & cash equivalents	(59,973)	54,430
Cash & cash equivalents- beginning of year	88,879	34,449
Cash & cash equivalents- end of year	$ 28,906	$ 88,879
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ (37,669)	$ (15,838)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	85,792	72,825
(Increase) decrease in accounts receivable	(23,457)	(10,000)
(Increase) decrease in inventories	(6,341)	(2,827)
(Increase) decrease in prepaid items	-	-
(Increase) decrease in accounts payable	(13,074)	18,803
(Increase) decrease in accrued wages & withholdings	(11,573)	6,973
(Increase) decrease in due to other funds	87	(5,635)
(Increase) decrease in other current liabilities	(3,379)	1,314
Net cash provided (used) by operating activities	$ (9,614)	$ 65,615

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, 2011 and 2010

	2011	2010
ASSETS		
Current Assets		
Cash & cash equivalents	$ 51,298	$ 118,618
Receivables, net of allowance for uncollectibles	-	-
Due from other funds		
General fund	3,923,500	2,330,972
E-911 special revenue fund	213,978	75,522
Building inspection special revenue fund	-	12,426
Solid waste enterprise fund	44,035	22,735
Utility authority	134,912	138,462
Golf complex enterprise fund	43,936	43,936
Special assessment fund 208	529	-
Prepaid items	-	30,178
Total current assets	4,412,188	2,772,849
Total assets	4,412,188	2,772,849
LIABILITIES		
Current liabilities		
Accounts payable	83,013	88,689
Due to other funds		
General fund	4,275,247	2,993,426
Utility authority	-	3,550
Total current liabilities	4,358,260	3,085,665
Total liabilities	4,358,260	3,085,665
NET ASSETS		
Invested in capital assets, net of related debt	-	-
Restricted	-	-
Unrestricted	53,928	(312,816)
Total net assets	$ 53,928	$ (312,816)

Employee Medical Insurance Internal Service Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
OPERATING REVENUES		
Changes for sales & services		
Internal changes	$ 2,786,407	$ 2,805,331
Employee premium withheld	-	-
Stop loss claims	-	-
Total operating revenues	2,786,407	2,805,331
OPERATING EXPENSES		
Personal services & employee benefits	2,392,030	2,261,943
Purchased/contracted services	28,533	183,228
Total operating expenses	2,420,563	2,445,171
Operating income (loss)	365,844	360,160
NONOPERATING REVENUES (EXPENSES)		
Interest revenues	900	3,507
Total nonoperating revenues (expenses)	900	3,507
Income (loss) before contributions & transfers	366,744	363,667
Transfers in		
General fund	-	-
Transfers out	-	-
Net income (loss)	366,744	363,667
Net assets- beginning of year	(312,816)	(676,483)
Net assets- end of year	$ 53,928	$ (312,816)

Employee Medical Insurance Internal Service Fund
Schedule of Cash Flows
For the Year Ended June 30, 2011

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from interfund services provided	$ 1,049,572	$ 1,208,461
Payments to suppliers	(1,117,792)	(1,204,965)
Net cash provided (used) by operating activities	(68,220)	3,496
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	900	1,007
Net cash provided (used) by investing activities	900	1,007
Net increase (decrease) in cash & cash equivalents	(67,320)	4,503
Cash & cash equivalents- beginning of year	118,618	114,115
Cash & cash equivalents- end of year	$ 51,298	$ 118,618
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ 365,844	$ 360,160
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
(Increase) decrease in accounts receivable	(1,736,836)	-
(Increase) decrease in other assets	-	(356,664)
(Increase) decrease in due from other funds	-	-
(Increase) decrease in prepaid items	30,178	-
(Increase) decrease in accounts payable	(5,676)	-
(Increase) decrease in due to other funds	1,278,270	-
Net cash provided (used) by operating activities	$ (68,220)	$ 3,496

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, 2011

	Agency Funds					
	Tax Commissioner	Probate Court	Clerk of Superior Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash & Cash equivalents	$ 166,444	$ 51,948	$ 380,698	$ 55,196	$ 65,702	$ 719,988
Total assets	166,444	51,948	380,698	55,196	65,702	719,988
LIABILITIES						
Due to others	166,444	51,948	380,698	55,196	65,702	719,988
Total liabilities	$ 166,444	$ 51,948	$ 380,698	$ 55,196	$ 65,702	$ 719,988

SUPPLEMENTAL SCHEDULES

General Fund
Schedule of Revenues
For the Years Ended June 30, 2011 and 2010

	2011	2010
REVENUES		
Taxes		
Real property	$ 9,967,399	$ 9,716,499
Personal property	1,312,933	1,196,056
Real estate transfer (intangible)	258,150	312,270
Franchise	256,265	202,504
General sales & use		
Local option sales & use	2,529,080	2,473,369
Selective sales & use	200,594	205,211
Business	1,174,989	1,206,724
Penalties & interest on delinquent taxes	166,590	240,794
	15,866,000	15,553,427
Licenses & permits	235,193	210,185
	235,193	210,185
Intergovernmental	43,930	28,767
Charges for services		
Commissions	254,977	204,494
Public safety		
Detention & correction services	16,484	29,296
Ambulance fees	538,531	445,020
Other public safety fees	7,354	7,393
Pipe & culvert sales	14,720	11,620
Public works-sanitation & lights	2,884,443	2,626,745
Culture & recreation	50,673	53,540
Other charges for services	(21,936)	(20,067)
	3,745,246	3,358,041
Fines & forfeitures		
Superior court	216,925	159,360
Magistrate court	295,659	264,694
Probate court	346,444	341,700
Sheriff	30,595	96,565
	889,623	862,319
Interest revenue	29,308	55,284
Contributions & donations	11,009	57,505
Miscellaneous	204,785	176,631
Total revenues	$ 21,025,094	$ 20,302,159

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2011 and 2010

	2011	2010
EXPENDITURES		
General Government		
Board of Commissioners		
Personal services & employee benefits	$ 76,722	$ 71,882
Purchased/contracted services	572,784	533,635
Supplies	126,126	129,177
Capital outlay	-	-
Other costs	87,598	93,220
	863,230	827,913
County Administrator		
Personal services & employee benefits	434,328	460,467
Purchased/contracted services	51,248	68,703
Supplies	6,302	6,979
Capital outlay	-	-
Other costs	9,519	5,753
	501,397	541,902
Election & Registration		
Personal services & employee benefits	129,627	107,120
Purchased/contracted services	89,174	28,363
Supplies	19,880	19,650
Capital outlay	-	-
Other costs	-	-
	238,681	155,133
Information Technology Services		
Personal services & employee benefits	133,472	129,706
Purchased/contracted services	35,399	30,820
Supplies	-	-
Capital outlay	383,152	9,990
Other costs	-	-
	552,023	170,516
Tax Commissioner		
Personal services & employee benefits	285,486	297,502
Purchased/contracted services	51,973	49,172
Supplies	7,924	3,883
Capital outlay	-	1,311
Other costs	-	-
	345,383	351,868
Tax Assessor		
Personal services & employee benefits	291,224	259,993
Purchased/contracted services	88,081	103,306
Supplies	34,235	6,071
Capital outlay	-	-
Other costs	-	-
	413,540	369,370

	2011	2010
General building & plant maintenance		
Personal services & employee benefits	64,964	62,956
Purchased/contracted services	157,307	194,851
Supplies	10,056	28,721
Capital outlay	-	-
Other costs	2,117	52,814
	234,444	339,342
	2,756,044	2,756,044
Judical		
Clerk, Superior Court		
Personal services & employee benefits	313,691	293,022
Purchased/contracted services	110,749	115,971
Supplies	21,523	12,525
Capital outlay	-	-
Other costs	-	-
	445,963	421,518
Magistrate Court		
Personal services & employee benefits	352,150	337,414
Purchased/contracted services	110,016	67,643
Supplies	43,363	20,800
Capital outlay	-	753
Other costs	-	-
	505,529	426,610
Probate Court		
Personal services & employee benefits	208,591	191,041
Purchased/contracted services	16,677	8,785
Supplies	-	10,150
Capital outlay	-	1,354
Other costs	-	-
	225,268	211,330
Juvenille Court		
Personal services & employee benefits	-	34,157
Purchased/contracted services	46,040	39,522
Supplies	-	-
Capital outlay	-	-
Other costs	-	-
	46,040	73,679
District Attorney		
Personal services & employee benefits	-	-
Purchased/contracted services	65,447	54,447
Supplies	-	-
Capital outlay	-	-
Other costs	-	-
	65,447	54,447

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2011 and 2010
(Continued)

	2011	2010
Indigent care & defense		
Personal services & employee benefits	33,746	49,591
Purchased/contracted services	250,880	218,110
	284,626	267,701
	1,455,284	1,455,284
Public Safety		
Sheriff's Department		
Personal services & employee benefits	2,621,480	2,413,428
Purchased/contracted services	140,586	162,581
Supplies	444,808	315,574
Capital outlay	-	10,825
Other costs	-	9,594
	3,206,874	2,912,002
Criminal Justice Center		
Personal services & employee benefits	1,264,762	1,191,951
Purchased/contracted services	655,765	411,502
Supplies	245,946	300,641
Capital outlay	-	5,036
	2,166,473	1,909,130
Fire & Emergency Management		
Personal services & employee benefits	1,671,011	1,415,595
Purchased/contracted services	44,507	46,528
Supplies	157,525	94,657
Capital outlay	-	10,516
Other costs	-	-
	1,873,043	1,567,296
Emergency Medical Services		
Personal services & employee benefits	1,659,681	1,430,462
Purchased/contracted services	129,953	93,459
Supplies	57,429	70,411
Capital outlay	-	3,459
Other costs	-	-
	1,847,063	1,597,791
Coroner		
Personal services & employee benefits	5,707	6,129
Purchased/contracted services	13,507	13,656
Supplies	5,159	3,517
Capital outlay	-	-
Other costs	-	-
	24,373	23,302

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2011 and 2010
(Continued)

	2011	2010
Animal Control		
Personal services & employee benefits	127,463	100,467
Purchased/contracted services	24,970	13,024
Supplies	48,741	101,757
Capital outlay	-	8,995
Other costs	-	84,660
	201,174	308,903
	8,318,423	8,318,423
Public Works		
Highway & Streets		
Personal services & employee benefits	1,202,159	1,203,253
Purchased/contracted services	148,460	800,411
Supplies	423,063	358,457
Capital outlay	293,592	99,592
Other costs	-	-
	2,067,274	2,461,713
Utility Billing Department		
Personal services & employee benefits	105,325	113,162
Purchased/contracted services	2,117,977	2,111,097
Supplies	-	1,548
Capital outlay	-	-
Other costs	-	-
	2,223,302	2,225,807
	4,290,576	4,687,520
Health & Welfare		
Health Department		
Personal services & employee benefits	-	-
Purchased/contracted services	1,156	1,215
Supplies	25,295	22,065
Capital outlay	241	-
Other costs	284,495	284,495
	311,187	307,775

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2011 and 2010
(Continued)

	2011	2010
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	890	498
Capital outlay	-	-
Other costs	21,000	20,142
	21,890	20,640
	340,665	339,124
Culture & Recreation		
Recreation		
Personal services & employee benefits	228,170	211,776
Purchased/contracted services	119,721	117,211
Supplies	95,501	74,446
Capital outlay	-	-
Other costs	-	-
	443,392	403,433
Library		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	6,380	6,049
Capital outlay	-	-
Other costs	368,634	362,418
	375,014	368,467
	818,406	771,900
Housing & Development		
Forestry Commission		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	-	-
Capital outlay	-	-
Other costs	12,890	5,152
	12,890	5,152
Building Inspection		
Personal services & employee benefits	240,451	270,046
Purchased/contracted services	6,914	18,789
Supplies	19,572	13,296
Capital outlay	-	-
Other costs	-	-
	266,937	302,131

Schedule of Expenditures
For the Years Ended June 30, 2011 and 2010
(Continued)

	2011	2010
Planning & Engineering		
Personal services & employee benefits	280,515	257,628
Purchased/contracted services	108,933	94,248
Supplies	22,859	11,466
Capital outlay	-	-
Other costs	-	-
	412,307	363,342
County Extension Services		
Personal services & employee benefits	61,900	60,599
Purchased/contracted services	3,856	4,684
Supplies	10,187	7,606
Capital outlay	-	1,198
Other costs	-	-
	75,943	74,087
	744,687	744,687
Debt Service	396,499	510,798
Total Expenditures	$ 20,659,456	$ 19,585,323

Schedule of Hotel/Motel Taxes Expended
For the Year Ended June 30, 2011

Total Expenditures		
Tourism, promotions, conventions, trade shows and facility support	$	3,500
Taxes Collected		
Tax collections @3%	$	1,539
Tax collections greater than 3%		2,050
	$	3,589
Percentage of current year taxes expended		98%

Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended June 30, 2011

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	$ 4,769,661	$ -	$ 4,769,661	86%
(B) Smithville fire/ems station & equipment	600,000	271,690	149,641	421,331	70%
(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	279,173	20,547	299,720	100%
(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	227,693	28,975	256,668	51%
(H) Lee County Elementary school renovation & library renovation of Redbone fire station	1,700,000	1,782,698	-	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	187,115	662,222	95%
(N) Road, street & bridge construction- Smithville	200,000	55,943	78,391	134,334	67%
(O) Water & sewer treatment facilities- Smithville	300,000	272,857	82,892	355,749	119%
(P) Historic facilities renovation- Smithville	200,000	151,970	152,691	304,661	152%
(Q) Public safety facilities- Smithville	50,000	20,093	-	20,093	40%
	$ 18,000,000	$ 15,451,017	$ 700,252	$ 16,151,269	
Sales Tax Referendum (Phase V)					
(1) Retirement of previously incurred debt	$ 3,195,973	$ 2,540,180	$ 2,562,614	$ 5,102,794	160%
(2) Sheriff's department vehicles	624,500	497,607	126,893	624,500	100%
(3) Five (5) replacement ambulances for Emergency Medical Services	625,000	368,547	119,282	487,829	78%
(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	25,735	62,275	7%
(6) Park Street recreation complex and capital outlay for recreation	300,000	13,510	-	13,510	5%
(7) Courthouse square and Old Smithville Road	2,000,000	9,486	-	9,486	0%
(8) Road, street and bridge construction and improvments in unincorporated areas of Lee County	6,559,527	1,696,443	1,150,721	2,847,164	43%
(9) Renovation of old high school	1,500,000	1,483,470	13,926	1,497,396	100%
(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	2,687,846	-	2,687,846	34%
(12) Ambulance for the Smithville fire/ems station	125,000	111,621	-	111,621	89%
(13) Extension of water lines and systems	1,300,000	1,248,299	-	1,248,299	96%
(14) Stormwater improvments	1,000,000	200,311	66,384	266,695	27%
(15) Palmyra fire/ems station	650,000	-	-	-	0%
(16) Renovation and expansion of public works building	270,000	56,258	-	56,258	21%
(17) Construction of a new headquarters library	2,000,000	620,317	104,339	724,656	36%
(18) Fire tower, burn building and driver training course	500,000	40,238	-	40,238	8%
	$ 34,650,000	$ 16,710,655	$ 4,169,894	$ 20,880,549	

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, 2011, which collectively comprise the Lee County, Georgia's basic financial statements and have issued our report thereon dated October 17, 2011. 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.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above..

.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.

We noted certain additional matters that we reported to the management of Lee County, Georgia in a separate letter dated October 17, 2011.

Regarding Lee County, Georgia's officials response to standard report on internal control over financial reporting and on compliance and other matters, we did not audit the their response and, accordingly, expresses no opinion on it.

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
October 17, 2011