LEE COUNTY, GEORGIA

Report Of Independent Certified Public Accountants In Accordance With *Government Auditing Standards*

For the year ended June 30, 2012

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

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TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	2
Government-wide Financial Statements	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet- Governmental Funds	5
State of Revenues, Expenditures & Changes in Fund Balances- Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures & Changes In Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Net Assets- Proprietary Funds	8-9
Statement of Revenues, Expenses & Changes In Fund Net Assets- Proprietary Funds	10
Statement of Cash Flows- Proprietary Funds	11
Statement of Fiduciary Net Assets- Fiduciary Funds	12 - 13
Notes To The Financial Statements	14-34
REQUIRED SUPPLEMENTARY INFORMATION	35
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual- General Fund	36
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	37
COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES	38
Major Governmental Funds	39
General Fund	
Schedule of Assets, Liabilities & Fund Balances	40
Schedule of Revenues, Expenditures & Changes in Fund Balances	41
Development Authority Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	42
Schedule of Revenues, Expenditures & Changes in Fund Balances	43
1% SPLOST #5 BONY- Advance Capital Projects Fund	
Schedule of Assets, Liabilities & Fund Balances	44
Schedule of Revenues, Expenditures & Changes in Fund Balances	45
1% SPLOST #5 Tax Proceeds Capital Projects Fund	
Schedule of Assets, Liabilities & Fund Balances	46
Schedule of Revenues, Expenditures & Changes in Fund Balances	47
1% SPLOST #6 BONY- Advance Capital Projects Fund	
Schedule of Assets, Liabilities & Fund Balances	48
Schedule of Revenues, Expenditures & Changes in Fund Balances	49

LEE COUNTY, GEORGIA
Annual Financial Report
For The Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS
(Continued)

	Page
Nonmajor Governmental Funds	50
Combining Statement of Assets, Liabilities & Fund Balances	51
Combining Schedule of Revenues, Expenditures & Changes in Fund Balances	52
1% SPLOST #4 Capital Projects Fund	
Schedule of Assets, Liabilities & Fund Balances	53
Schedule of Revenues, Expenditures & Changes in Fund Balances	54
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	55
Drug Abuse Treatment & Education Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	56
Schedule of Revenues, Expenditures & Changes in Fund Balances	57
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	58
Jail Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	59
Schedule of Revenues, Expenditures & Changes in Fund Balances	60
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	61
Building Inspection Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	62
Schedule of Revenues, Expenditures & Changes in Fund Balances	63
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	64
District Attorney Forfeiture Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	65
Schedule of Revenues, Expenditures & Changes in Fund Balances	66
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	67
Law Library Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	68
Schedule of Revenues, Expenditures & Changes in Fund Balances	69
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	70
E-911 Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	71
Schedule of Revenues, Expenditures & Changes in Fund Balances	72
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	73
Special Assessment Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	74
Schedule of Revenues, Expenditures & Changes in Fund Balances	75
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	76
Hotel/Motel Tax Special Revenue Fund	
Schedule of Assets, Liabilities & Fund Balances	
Schedule of Revenues, Expenditures & Changes in Fund Balances	77
Schedule of Revenues, Expenditures & Changes In Fund Balances- Budget & Actual	78
	79

LEE COUNTY, GEORGIA
Annual Financial Report
For The Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS
(Continued)

	Page
Major Proprietary Funds	80
Utility Authority Enterprise Fund	
Schedule of Net Assets	81
Schedule of Revenues, Expenses & Changes in Fund Net Assets	82
Schedule of Cash Flows	83
Solid Waste Enterprise Fund	
Schedule of Net Assets	84
Schedule of Revenues, Expenses & Changes in Fund Net Assets	85
Schedule of Cash Flows	86
Golf Complex Enterprise Fund	
Schedule of Net Assets	87
Schedule of Revenues, Expenses & Changes in Fund Net Assets	88
Schedule of Cash Flows	89
Internal Service Fund	90
Employee Medical Insurance Internal Service Fund	
Schedule of Net Assets	91
Schedule of Revenues, Expenses & Changes in Fund Net Assets	92
Schedule of Cash Flows	92
Fiduciary Funds	94
Combining Schedule of Fiduciary Net Assets	95
Combining Statement of Changes in Assets and Liabilities- Fiduciary Funds	96
SUPPLEMENTAL SCHEDULES	97
Schedule of Revenues- General Fund	98
Schedule of Expenditures- General Fund	99-104
Schedule of Hotel/Motel Taxes Expended	105
Schedule of Projects Constructed with Special Sales Tax Proceeds	106-107
Report On Internal Control Over Finacial Reporting and On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	108

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, 2012, 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, 2012, and the respective changes in financial position and cash flows, where applicable, 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 29, 2012 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 29, 2012

BASIC FINANCIAL STATEMENTS

Lee County Board of Commissions
Statement of Net Assets
June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Lee County Health Department
ASSETS				
Cash & cash equivalents	$ 6,409,734	$ 795,426	$ 7,205,160	$ 291,971
Receivables, net of allowance for uncollectibles	2,483,179	88,608	2,571,787	-
Internal balances	996,494	(996,494)	-	-
Due from other funds	244,017	-	244,017	36,269
Inventories	-	12,305	12,305	-
Prepaid items	406,323	550	406,873	-
Deferred charges	178,510	1,065,081	1,243,591	-
Net pension assets	96,745	-	96,745	
Restricted cash & cash equivalents	5,300,346	2,381,907	7,682,253	-
Noncurrent assets:				
Restricted cash & cash equivalents	-	331,655	331,655	-
Capital assets not being depreciated	7,520,304	2,776,762	10,297,066	-
Capital assets net of accumulated depreciation	39,353,158	23,733,540	63,086,698	34,854
Total Assets	62,988,810	30,189,340	93,178,150	363,094
LIABILITIES				
Accounts payable	854,247	54,601	908,848	8,855
Accrued and other liabilities	-	15,348	15,348	-
Accrued wages, withholdings & benefits	176,651	-	176,651	-
Due to other funds	-	244,183	244,183	-
Accrued interest payable	68,065	346,338	414,403	-
Compensated absences	54,692	-	54,692	5,464
Deferred Revenue	-	102,118	102,118	-
Capital leases	282,307	-	282,307	-
Notes payable, current portion	2,196,470	430,479	2,626,949	-
Installment lease agreement	450,000		450,000	-
Bonds payable	1,940,000	440,000	2,380,000	-
Noncurrent liabilities:				
Vacation	573,069	65,093	638,162	49,179
Customer deposits	-	325,257	325,257	-
Closure & post closure care	-	751,736	751,736	-
Debt and leases payable, less current portion	6,703,362	23,319,852	30,023,214	-
Total Liabilities	13,298,863	26,095,005	39,393,868	63,498
NET ASSETS				
Invested in capital assets, net of related debt	35,301,323	2,319,971	37,621,294	34,854
Restricted				
Restricted for debt service	39,514	1,608,194	1,647,708	-
Restricted for SPLOST projects	6,223,459	-	6,223,459	-
Restricted for health & welfare and judicial	275,290	-	275,290	211,340
Unrestricted	7,850,361	166,170	8,016,531	53,402
Total Net Assets	49,689,947	4,094,335	53,784,282	299,596
Total Net Assets and Liabilities	$ 62,988,810	$ 30,189,340	$ 93,178,150	$ 363,094

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, 2012

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	$ 8,439,799	$ 3,410,225	$ -	$ 8,045	$ (5,021,529)	$ -	$ (5,021,529)	
Judicial	1,569,364	858,951	-	-	(710,413)	-	(710,413)	
Public safety	10,808,195	917,351	-	-	(9,890,844)	-	(9,890,844)	
Public works	4,478,453	2,947,874	-	-	(1,530,579)	-	(1,530,579)	
Health & welfare	443,389	49,153	-	-	(394,236)	-	(394,236)	
Culture & recreation	995,260	-	-	-	(995,260)	-	(995,260)	
Housing & development	666,763	-	-	-	(666,763)	-	(666,763)	
Interest on long-term debt	602,790	-	-	-	(602,790)	-	(602,790)	
Total Governmental Activities	28,004,013	8,183,554	-	8,045	(19,812,414)	-	(19,812,414)	
Business-type Activities								
Water and sewer	3,700,194	3,576,936	-	-	-	(123,258)	(123,258)	
Solid waste	(81,244)	126,985	-	-	-	208,229	208,229	
Golf/recreation	932,033	850,902	-	-	-	(81,131)	(81,131)	
Total Business-type Activities	4,550,983	4,554,823	-	-	-	3,840	3,840	
Total Primary Government	$ 32,554,996	$ 12,738,377	$ -	$ 8,045	(19,812,414)	3,840	(19,808,574)	
Component Unit								
Lee County Health Department	$ 768,928	$ 278,387	$ 450,524	$ -				$ (40,017)
Total Component Unit	$ 768,928	$ 278,387	$ 450,524	$ -				(40,017)
General Revenues								
Real property					9,949,307	-	9,949,307	-
Personal property					1,308,178	-	1,308,178	-
Real estate transfer (intangible)					291,433	-	291,433	-
Franchise					186,412	-	186,412	-
General sales & use					2,571,085	-	2,571,085	-
Splost					5,457,589	-	5,457,589	-
Selective sales & use					206,530	-	206,530	-
Business					1,185,118	-	1,185,118	-
Penalties & interest on delinquent taxes					283,465	-	283,465	-
Investment income					29,661	23,947	53,608	-
Miscellaneous					202,684	-	202,684	-
Transfers					(57,486)	57,486	(0)	-
Total General Revenues and Transfers					21,613,976	81,433	21,695,409	-
Change in Net Assets					1,801,562	85,273	1,886,835	(40,017)
Net Assets- Beginning					47,888,385	4,079,387	51,967,772	339,613
Prior period adjustment					-	(70,327)	(70,327)	-
Net Assets- Ending					$ 49,689,947	$ 4,094,335	$ 53,784,282	$ 299,596

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

Lee County Board of Commissions
Balance Sheet
Governmental Funds
June 30, 2012

	General	Development Authority	1% SPLOST #5 BONY Advance	1% SPLOST #5 Tax Proceeds	1% SPLOST #6 BONY Advance	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash & cash equivalents	$ 4,862,563	$ 529,782	$ 196	$ -	$ -	$ 989,455	$ 6,381,996
Receivables, net	1,175,717	-	-	1,237,917	-	69,546	2,483,180
Intergovernmental receivable	1,119,803	-	(480,804)	3,404,797	-	(39,927)	4,003,869
Internal balance	996,494	-	-	-	-	-	996,494
Prepaid Insurance	406,323	-	-	-	-	-	406,323
Restricted assets							
Cash & cash equivalents	275,290	-	-	2,353,597	2,388,112	283,150	5,300,149
Total Assets	$ 8,836,190	$ 529,782	$ (480,608)	$ 6,996,311	$ 2,388,112	$ 1,302,224	$ 19,572,011
LIABILITIES & FUND EQUITY							
Liabilities							
Accounts payable	$ 467,984	$ -	$ 8,278	$ 272,438	$ -	$ 2,964	$ 751,664
Accrued and other liabilities	172,612	1,107	1,738	9,331	52,930	6,998	244,716
Compensated absences	54,692	-	-	-	-	-	54,692
Deferred revenue	247,557	-	-	-	-	-	247,557.00
Due to other funds	-	-	-	3,282,257	100	433,954	3,716,311
Total Liabilities	942,845	1,107	10,016	3,564,026	53,030	443,916	5,014,940
Fund balances							
Reserved for capital expenditure	-	-	(490,624)	3,432,285	2,335,082	-	5,276,743
Reserved for debt	-	-	-	-	-	283,150	283,150
Unreserved, reported in							
Special revenue funds	275,290	528,675	-	-	-	575,158	1,379,123
Undesignated	7,618,055	-	-	-	-	-	7,618,055
Total fund balances	7,893,345	528,675	(490,624)	3,432,285	2,335,082	858,308	14,557,071
Total liabilities & fund balances	$ 8,836,190	$ 529,782	$ (480,608)	$ 6,996,311	$ 2,388,112	$ 1,302,224	$ 19,572,011

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		$ 46,873,462
Net pension assets are not financial resources and, therefore, are not reported in the funds		96,745
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		247,557
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Capital leases	$ (1,010,155)	
Notes payable	(2,196,470)	
Installment sale agreement	(780,000)	
General obligation bonds	(7,585,513)	
Deferred charges for issuance cost (to be amortized over life of debt)	178,510	
Compensated absences	(573,069)	
Total long-term liabilities		(11,966,697)
An internal service fund is used by management to charge the costs of the County's medical benefit plan to individual funds	$ (118,191)	
Net assets of internal service fund		(118,191)
Net Assets of governmental activities		$ 49,689,947

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

Lee County Board of Commissions
Statement of Revenues, Expenditures & Change in Fund Balance
Governmental Funds
For the Year Ended June 30, 2012

	General	Development Authority	1% SPLOST #5 BONY Advance	1% SPLOST #5 Tax Proceeds	1% SPLOST #6 BONY Advance	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 15,978,216	$ -	$ -	$ 5,457,589	$ -	$ 3,234	$ 21,439,039
Licenses & permits	216,357	-	-	-	-	-	216,357
Intergovernmental	16,065	-	-	-	-	-	16,065
Charges for services	3,734,177	-	-	-	-	536,636	4,270,813
Fines & forfeitures	793,302	-	-	-	-	-	793,302
Investment income	17,661	4,322	338	4,584	106	5,212	32,223
Miscellaneous	141,722	-	-	-	-	-	141,722
Total revenues	20,897,500	4,322	338	5,462,173	106	545,082	26,909,521
EXPENDITURES							
Current							
General government	5,077,174	-	-	13,062	11,202	-	5,101,438
Judical	1,482,454	-	-	-	-	45,828	1,528,282
Public safety	9,378,136	-	-	11,000	68,435	678,961	10,136,532
Public works	1,764,585	-	-	204,029	-	-	1,968,614
Health & welfare	426,026	-	-	-	-	-	426,026
Culture & recreation	711,733	179,434	-	282,829	-	-	1,173,996
Housing & development	652,827	-	-	13,355	-	64,131	730,313
Capital outlay	306,037	-	-	2,958,373	906,047	3,393	4,173,850
Debt service	354,483	262,337	2,095,438	473,598	129,649	70,474	3,385,979
Intergovernmental	-	-	-	65,577	-	-	65,577
Total expenditures	20,153,455	441,771	2,095,438	4,021,823	1,115,333	862,787	28,690,607
Excess (deficiency) of revenues over (under) expenditures	744,045	(437,449)	(2,095,100)	1,440,350	(1,115,227)	(317,705)	(1,781,086)
OTHER FINANCING SOURCES (USES)							
Transfer in (out)	(696,078)	442,858	2,093,700	(2,093,700)	-	195,734	(57,486)
Loan proceeds	-	-	-	-	3,450,309	-	3,450,309
Total other financing sources (uses)	(696,078)	442,858	2,093,700	(2,093,700)	3,450,309	195,734	3,392,823
net change in fund balances	47,967	5,409	(1,400)	(653,350)	2,335,082	(121,971)	1,611,737
Fund balances- beginning	7,845,378	523,266	(489,224)	4,085,635	-	980,279	12,945,334
Fund balances- ending	$ 7,893,345	$ 528,675	$ (490,624)	$ 3,432,285	$ 2,335,082	$ 858,308	$ 14,557,071

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

Reconciliation of the Statement of Revenues, Expenditures and Charges in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2012

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

Net change in fund balances- total governmental funds reported in Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds		$ 1,611,737
Governmental funds report capital outlay 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	$ 4,170,457	
Depreciation expense	(3,175,003)	995,454
The issuance of long-term debt (e.g. bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt 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		
General obligation bonds	$ (3,450,309)	
Principal repayments		
Capital Leases	368,654	
Notes Payable	138,428	
General obligation bonds	1,845,000	
Installment sale agreement	430,000	(668,227)
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	$ (80,266)	
Amortization of issurance costs	71,894	
Deferred revenue	5,355	
Compensated absences	37,734	34,717
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		(172,119)
Change in net assets of governmental activities reported in the Statement of Activities		$ 1,801,562

Statement of Net Assets
Proprietary Funds
June 30, 2012

	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	$ 750,350	$ 3,949	$ 41,127	$ 795,426	$ 28,098
Receivables, net of allowance for uncollectibles	49,428	1,248	37,932	88,608	-
Internal balances	(944,165)	(25,363)	(26,966)	(996,494)	5,771,445
Inventories	-	-	12,305	12,305	-
Prepaid items	-	550	-	550	-
Restricted assets					
Cash & cash equivalents	2,381,907	-	-	2,381,907	-
Total current assets	2,237,520	(19,616)	64,398	2,282,302	5,799,543
Noncurrent Assets					
Restricted assets					
Cash & cash equivalents	331,655	-	-	331,655	-
Total restricted assets	331,655	-	-	331,655	-
Deferred charges	1,065,081	-	-	1,065,081	-
Capital assets not being depreciated					
Land	77,310	163,000	2,536,452	2,776,762	-
Capital assets net of accumulated depreciated					
Buildings & systems	22,899,324	8,334	825,882	23,733,540	-
Total capital assets net of accumulated depreciation	22,976,634	171,334	3,362,334	26,510,302	-
Total noncurrent assets	24,373,370	171,334	3,362,334	27,907,038	-
Total assets	$ 26,610,890	$ 151,718	$ 3,426,732	$ 30,189,340	$ 5,799,543

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

Lee County Board of Commissions
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities- Enterprise Funds				Governmental Activities Internal Service Fund
	Utility Authority	Solid Waste	Golf Complex	Total Enterprise Funds	
LIABILITIES					
Current Liabilities					
Accounts payable	$ 33,170	$ 11,072	$ 10,359	$ 54,601	$ 102,584
Accrued and other liabilities	8,396	741	6,211	15,348	-
Due to other fund	134,912	65,335	43,936	244,183	5,815,150
Accrued Interest Payable	346,338	-	-	346,338	-
Deferred Revenue	102,118	-	-	102,118	-
Revenue bonds payable current	440,000	-	-	440,000	-
Loans payable current	258,408	-	172,071	430,479	-
Total Current Liabilities	1,323,342	77,148	232,577	1,633,067	5,917,734
Non-Current Liabilities					
Customer Deposits	325,257	-	-	325,257	-
Compensated Absences	40,346	5,312	19,435	65,093	-
Loans Payable	2,233,684	-	56,084	2,289,768	-
Revenue Bonds Payable	21,030,084	-	-	21,030,084	-
Closure & Post Closure Care	-	751,736	-	751,736	-
Total Non-Current Liabilities	23,629,371	757,048	75,519	24,461,938	-
Total liabilities	24,952,713	834,196	308,096	26,095,005	5,917,734
Net Assets					
Invested in Capital Assets, Net of Related Debt	(985,542)	171,334	3,134,179	2,319,971	-
Restricted					
Restricted for Debt Service	1,608,194	-	-	1,608,194	(118,191)
Unrestricted	1,035,525	(853,812)	(15,543)	166,170	-
Total Net Assets	$ 1,658,177	$ (682,478)	$ 3,118,636	$ 4,094,335	$ (118,191)

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

Statement of Revenues, Expenses & Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities- Enterprise Funds				Governmental Activities Internal Service Fund
	Utility Authority	Solid Waste	Golf Complex	Total Enterprise Funds	
OPERATING REVENUES					
Changes for sales & services	$ 3,576,936	$ 126,985	$ 850,902	$ 4,554,823	$ 2,872,615
Total operating revenues	3,576,936	126,985	850,902	4,554,823	2,872,615
OPERATING EXPENSES					
Personal services & employee benefits	634,507	75,217	456,230	1,165,954	2,958,120
Purchased/contracted services	475,999	(162,599)	220,892	534,292	89,333
Supplies	554,625	5,291	133,612	693,528	-
Depreciation	1,099,528	847	100,637	1,201,012	-
Total operating expenses	2,764,659	(81,244)	911,371	3,594,786	3,047,453
Operating income (loss)	812,277	208,229	(60,469)	960,037	(174,838)
NONOPERATING REVENUES (EXPENSES)					
Investment income	23,702	56	189	23,947	2,719
Interest on long-term debt	(890,975)	-	(20,662)	(911,637)	-
Fiscal agent's fees	(1,847)	-	-	(1,847)	-
Bond issuance costs	(42,713)	-	-	(42,713)	-
Total nonoperating revenues (expenses)	(911,833)	56	(20,473)	(932,250)	2,719
Income (loss) before contributions & transfers	(99,556)	208,285	(80,942)	27,787	(172,119)
Transfers in	-	57,486	-	57,486	-
Transfers out	-	-	-	-	-
Changes in net assets	(99,556)	265,771	(80,942)	85,273	(172,119)
Net assets- beginning of year	1,801,419	(948,249)	3,226,217	4,079,387	53,928
Prior period adjustment	(43,686)	-	(26,641)	(70,327)	
Net assets- end of year	$ 1,658,177	$ (682,478)	$ 3,118,634	$ 4,094,335	$ (118,191)

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, 2012

	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	$ 3,899,657	$ 126,927	$ 929,642	$ 4,956,226	$ -
Receipts from interfund services provided	-	-	-	-	1,462,060
Payments to suppliers	(1,033,084)	(118,087)	(371,389)	(1,522,560)	(1,487,979)
Payments to employees	(549,472)	(55,471)	(438,050)	(1,042,993)	-
Payments for interfund services used	(74,556)	(21,300)	(42,600)	(138,456)	-
Net cash provided (used) by operating activities	2,242,545	(67,931)	77,603	2,252,217	(25,919)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	57,486	-	57,486	-
Net cash provided (used) by noncapital financing	-	57,486	-	57,486	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING					
Proceeds from capital debt	-	-	-	-	-
Acquisition & construction of capital assets	(24,489)	-	-	(24,489)	-
Principal paid on capital debt	(668,308)	-	(44,909)	(713,217)	-
Interest paid on capital debt	(890,976)	-	(20,662)	(911,638)	-
Payments of fiscal agent's fees	(1,847)	-	-	(1,847)	-
Proceeds from sales of capital assets	-	-	-	-	-
Net cash provided (used) by capital related financing activities	(1,585,620)	-	(65,571)	(1,651,191)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	23,702	56	189	23,947	2,719
Net cash provided (used) by investing activities	23,702	56	189	23,947	2,719
Net increase (decrease) in cash & cash equivalents	680,627	(10,389)	12,221	682,459	(23,200)
Cash & cash equivalents- beginning of year	2,783,285	14,338	28,906	2,826,529	51,298
Cash & cash equivalents- end of year	$ 3,463,912	$ 3,949	$ 41,127	$ 3,508,988	$ 28,098
RECONCILIATION OF OPERATING INCOME TO NET CASH					
Operating income (loss)	$ 812,277	$ 208,229	$ (60,469)	$ 960,037	$ (174,838)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	1,142,241	847	100,637	1,243,725	-
(Increase) decrease in accounts receivable	179,889	(58)	35,883	215,714	(1,410,555)
(Increase) decrease in inventories	-	-	9,729	9,729	-
(increase) decrease in other assets	13,212	-	-	13,212	19,571
(increase) decrease in accounts payable	(4,283)	(6,302)	(4,554)	(15,139)	-
(Increase) decrease in accrued wages & withholdings	(17,622)	(1,031)	1,738	(16,915)	-
(Increase) decrease in deferred revenue	-	-	-	-	-
(Increase) decrease in compensated absences payable	-	-	-	-	-
(Increase) decrease in due to other funds	46,535	21,300	-	67,835	1,539,903
(Increase) decrease in other current liabilities	70,296	2,584	(5,361)	67,519	-
(Increase) decrease in customer deposits	-	-	-	-	-
(Increase) decrease in closure & postclosure	-	(293,500)	-	(293,500)	-
Net cash provided (used) by operating activities	$ 2,242,545	$ (67,931)	$ 77,603	$ 2,252,217	$ (25,919)

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

Lee County Board of Commissions
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Pension Trust Fund	Agency Funds
ASSETS		
Cash & cash equivalents	$ 8,795	$ 731,966
Investments, at fair value	-	-
Equities		
Mutual Funds- Equity	60,649	-
Mutual Funds- Fixed	183,452	-
Total assets	252,896	731,966
LIABILITIES		
Due to others	-	731,966
Total liabilities	-	731,966
NET ASSETS		
Held in trust for pension benefits & other purposes	$ 252,896	$ -
(See schedule of funding progress)		

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

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Pension Trust Fund
ADDITIONS	
Contributions	$ -
Employer	-
Investment earnings	
Interest & dividends	8,539
Net increase in the fair value of investments	4,543
Total investment earnings	13,082
Less investments expense	-
	13,082
Total additions	13,082
DEDUCTIONS	
Benefits	5,761
Administrative expenses	-
Total deductions	5,761
Changes in net assets	7,321
Net assets- beginning	245,575
Net assets- ending	$ 252,896

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County implemented GASB 54, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

- Nonspendable Fund Balance: Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance: Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Committed Fund Balance: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. The County Commission also may modify or rescind the commitment.
- Assigned Fund Balance: Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County's finance committee or the County's finance director to assign fund balances.
- Unassigned Fund Balance: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions - When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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 from 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.

A. Reporting Entity- Continued

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.

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

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 *1% SPLOST #6 BONY Advance Fund* accounts for the general obligation sales tax bonds, series 2011 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, 2013 through September 30, 2019.

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.

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."

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 August 4, 2011, 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.

4. Capital *Assets- Continued*

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. Budgetary Expenditures in Excess of Appropriations

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

	Budget	Actual	Excess
General Fund			
Board of Commissioners	872,812	886,110	(13,298)
Election	165,883	170,803	(4,920)
Tax Commissioner	354,224	354,516	(292)
General building & plant maintenance	219,801	231,268	(11,467)
Magistrate court	497,067	518,433	(21,366)
Probate court	223,125	225,371	(2,246)
District attorney	72,447	72,734	(287)
Sheriff's department	3,120,537	3,322,241	(201,704)
Highway & streets	1,773,067	1,789,230	(16,163)
Utility billing	2,245,041	2,278,948	(33,907)
Health department	307,790	312,504	(4,714)
Building inspection	257,447	259,851	(2,404)
County extension services	77,818	80,112	(2,294)
Debt service	284,270	354,483	(70,213)
Drug abuse treatment special revenue fund	9,279	24,074	(14,795)
E-911 special revenue fund	727,858	749,600	(21,742)

Deficit Fund Balances

As of June 30, 2012, 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, 2012. 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, 2012, the County had the following investments.

Investments	Fair Value
U.S. Treasury Money Market Funds	$ 1,194,322
LPL Financial Services- Money Mkt Funds	1,187,584
Georgia Fund 1	5,965,113
	$ 8,347,019

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, 2012, 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, 2012, 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, 2012, 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 BONY Advance	1% SPLOST #5 Tax Proceeds	Nonmajor Governmental Funds	Utility Authority	Solid Waste	Golf Complex	Total
Receivables:								
Taxes	$ 247,557		$ 929,034	$ -	$ -	$ -	$ -	$ 1,176,591
Accounts	1,505,051			69,546	49,428	1,248	37,932	1,663,205
Intergovernmental	1,119,803	(480,804)	3,404,797	(39,927)	-	-	-	4,003,869
	2,872,411	(480,804)	4,333,831	29,619	49,428	1,248	37,932	6,843,665
Gross receivables								
Less: allowance for uncollectibles	(796,013)	-	-	-	-	-	-	(796,013)
	$ 2,076,398	$ (480,804)	$ 4,333,831	$ 29,619	$ 49,428	$ 1,248	$ 37,932	$ 6,047,652

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
Properpty taxes (General Fund)	$ 247,557
	$ 247,557

C. Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	$ 3,500,552	$ 51,825.00	$ -	$ -	$ 3,552,377
Construction in progress	772,823	3,195,104	-	-	3,967,927
Total capital assets, not being depreciated	4,273,375	3,246,929	-	-	7,520,304
Capital assets, being depreciated					
Buildings	18,262,434	18,625	-	-	18,281,059
Infrastructure	68,386,589	345,483	-	-	68,732,072
Improvements other than buildings	1,625,457	-	-	-	1,625,457
Machinery and equipment	9,100,862	559,420	(180,811)	-	9,479,471
Total capital assets, being depreciated	97,375,342	923,528	(180,811)	-	98,118,059
Less accumulated depreciation for:					
Buildings	(4,927,573)	(376,258)	-	-	(5,303,831)
Infrastructure	(43,850,598)	(1,845,275)	-	-	(45,695,873)
Improvements other than buildings	(579,095)	(82,927)	-	-	(662,022)
Machinery and equipment	(6,413,444)	(870,543)	180,811	-	(7,103,176)
Total accumulated depreciation	(55,770,710)	(3,175,003)	180,811	-	(58,764,902)
Total capital assets, being depreciated net	41,604,632	(2,251,475)	-	-	39,353,157
Total governmental activities capital assets, net	$ 45,878,008	$ 995,453	$ -	$ -	$ 46,873,462

C. Capital Assets- Continued

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Business-type activities:					
Capital assets, not being depreciated					
Land	$ 2,776,762	$ -	$ -	$ -	$ 2,776,762
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	2,776,762	-	-	-	2,776,762
Capital assets, being depreciated					
Buildings and infrastructure	34,487,623	-	-	(27,138)	34,460,485
Improvements other than buildings	262,687	-	-	-	262,687
Machinery and equipment	981,959	24,489	-	26,999	1,033,447
Total capital assets, being depreciated	35,732,269	24,489	-	(139)	35,756,620
Less accumulated depreciation for:					
Buildings and infrastructure	(9,904,045)	(1,094,806)	-	(19,460)	(11,018,311)
Improvements other than buildings	(192,920)	(17,069)	-	68,722	(141,267)
Machinery and equipment	(725,242)	(89,138)	-	(49,123)	(863,503)
Total accumulated depreciation	(10,822,207)	(1,201,013)	-	139	(12,023,081)
Total capital assets, being depreciated net	24,910,062	(1,176,524)	-	-	23,733,539
Total governmental activities capital assets, net	$ 27,686,825	$ (1,176,524)	$ -	$ -	$ 26,510,302

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

Governmental activities	
General government	$ 250,567
Judicial	29,684
Public safety	658,242
Public works	2,129,120
Health & welfare	16,266
Culture & recreation	79,325
Housing & development	11,799
Total depreciation expense- governmental activities	$ 3,175,003
Business-type activities	
Water and sewer	$ 1,099,528
Solid waste	848
Golf complex	100,637
Total depreciation expense- business-type activities	$ 1,201,013

D. Inter fund Receivables, Payables, and Transfers

The composition of inter fund balances as of June 30, 2012 is as follows:

Due To/Due From

Due To	Due From	Amount
General Fund	Employee Medical Internal Service	$ 5,815,150
General Fund	1% SPLOST #5 BONY Advance	341,529
General Fund	1% SPLOST #5 Capital Projects	280,225
General Fund	1% SPLOST #6 BONY Advance	100
General Fund	Nonmajor Governmental Funds	39,927
General Fund	Nonmajor Governmental Funds	92,176
1% SPLOST #5 BONY Advance	1% SPLOST #5 Capital Projects	3,002,032
1% SPLOST #5 Capital Projects	1% SPLOST #5 BONY Advance	3,141,307
Employee Medical Internal Service	General Fund	5,185,814
1% SPLOST #5 Capital Projects	General Fund	263,490
Employee Medical Internal Service	Nonmajor Governmental Funds	341,778
Employee Medical Internal Service	Utility Authority Enterprise Fund	134,912
Employee Medical Internal Service	Solid Waste Enterprise Fund	65,335
Employee Medical Internal Service	Golf Complex Enterprise Fund	43,936
		$18,747,711

Internal Balances

Receivable Fund	Payable Fund	Amount
General Fund	Utility Authority Enterprise Fund	$ 944,165
General Fund	Solid Waste Enterprise Fund	25,363
General Fund	Golf Complex Enterprise Fund	26,966
		$ 996,494

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, 2012 are as follows:

Transfer In	Transfer Out	Amount
General Fund	Jail Fund	$ 39,296
Development Authority	General Fund	442,858
E911	General Fund	235,030
Solid Waste Enterprise Fund	General Fund	57,486
Splost Bony V	Splost V	2,093,700
		$ 2,868,370

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
2013	$ 329,793	$ 40,446	$ 370,239
2014	379,399	40,446	419,845
2015	376,173	23,594	399,767
Less: amount representing interest	(75,210)	(15,042)	(90,252)
Total	$ 1,010,155	$ 89,444	$ 1,099,599

F. Long-Term Debt

Notes Payable

The Development Authority of Lee County issued notes payable for land acquisitions. The current note is dated June 27, 2008 at 5.25% interest in the amount of $2,707,966 with semi-annual installments of $130,615 each, through December 2012, with a balloon payment of $2,180,861 due June 27, 2013. The balance outstanding as June 30, 2012 was $2,196,470.

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 May 4, 2011 in the amount of $152,581.15 with an interest rate of 6%. The total balance outstanding as of June 30, 2012 was $138,711.

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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
2013	$ 2,196,470	$ 115,005	$ 2,311,475	$ 138,711	$ 832	$ 139,543
	$ 2,196,470	$ 115,005	$ 2,311,475	$ 138,711	$ 832	$ 139,543

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 dated February 29, 2004 at 3% interest in the amount of $3,362,356 with payments beginning June 1st, 2007 to be repaid monthly, at $18,996 over a sixteen year period. The balance outstanding as of June 30, 2012 was $2,147,127. 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, 2012 was $447,083. The County has recognized imputed interest at a rate of 4.15 percent on the loan.

Loan payable debt service requirements to maturity are as follows:

Year ending June 30	Principal	Interest	Total
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	264,071	40,970	305,041
2018 - 2022	1,023,406	116,383	1,139,789
2023	242,593	4,361	246,954
Total	2,594,210	$ 379,404	$ 2,973,614
Unamortized discounts	(102,118)		
	$ 2,492,092		

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, 2012 was $780,000.

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

Year Ending June 30	Principal	Interest	Total
2013	$ 450,000	$ 19,478	$ 469,478
2014	330,000	5,858	335,858
Total	$ 780,000	$ 25,336	$ 805,336

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 $82,892, at June 30, 2012, was $3,970,000.

On June 28, 2011, the County issued $3,350,000 in series 2011 general obligation sales tax bonds to finance certain capital outlay projects. Interest is payable semiannually on April 1 and October 1 at varying rates ranging from 2 percent to 5 percent beginning October 1, 2011 through 2019. Principal is paid on October 1 of each year beginning 2014. General obligation bonds outstanding, net of unamortized premiums of $182,621, at June 30, 2012 was $3,350,000.

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

Year Ending June 30	Principal	Interest	Total
2013	$ 1,940,000	$ 262,125	$ 2,202,125
2014	2,030,000	156,400	2,186,400
2015	525,000	92,563	617,563
2016	535,000	79,150	614,150
2017	550,000	63,988	613,988
2018 - 2023	1,740,000	81,137	1,821,137
	7,320,000	$ 735,363	$ 8,055,363
Unamortized premiums	265,513		
	$ 7,585,513		

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
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	650,000	765,374	1,415,374
2018 - 2022	4,065,000	3,407,745	7,472,745
2023 - 2027	5,690,000	2,500,379	8,190,379
2028 - 2032	7,410,000	1,164,763	8,574,763
2033 - 2037	1,675,000	36,431	1,711,431
Total	21,655,000	$ 11,086,043	$ 32,741,043
Unamortized discounts	(184,916)		
	$ 21,470,084		

F. Long-Term Debt- Continued

Changes In Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Due Within One Year
Governmental activities:						
Compensated absences	$ 535,335	$ 109,443	$ 71,709	$ -	$ 573,069	$ -
Capital leases	1,378,808	-	368,653	-	1,010,155	282,307
Notes payable	2,334,898	-	138,428	-	2,196,470	2,196,470
Installment sale agreement	1,210,000	-	430,000	-	780,000	450,000
General obligation bonds	5,956,023	3,554,756	1,925,266	-	7,585,513	1,940,000
	$ 11,415,064	$ 3,664,199	$ 2,934,056	$ -	$ 12,145,207	$ 4,868,777
Business-type activities:						
Compensated absences	$ 41,079	$ 24,014	$ -	$ -	$ 65,093	$ -
Customer deposits	395,453	167,735	166,551	(71,380)	325,257	-
Capital leases	121,294	-	31,851	-	89,443	33,360
Notes payable	151,770	-	13,059	-	138,711	138,711
Loans payable	2,737,791	7,609	253,308	-	2,492,092	258,408
Revenue bonds payable	21,879,119	5,965	415,000	-	21,470,084	440,000
Closure & post closure costs	1,045,236	-	293,500	-	751,736	-
	$ 26,371,742	$ 205,323	$ 1,173,269	$ (71,380)	$ 25,332,416	$ 870,479

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 #5 BONY-Advance Fund	Nonmajor Governmental Funds	Utility Authority Fund
Wachovia master lease	$ -	$ -	$ 39,514	$ -
JAG Court Services	261,352	-	-	-
Animal control building	8,852	-	-	-
COPS acquisition fund	-	-	178	-
COPS reserve fund	-	-	20,822	-
COPS payment fund	-	-	26,761	-
Office of treasury- Georgia fund 1	-	23	-	-
Colony bank escrow	-	173	-	-
Emergency fund	-	-	-	131,752
LPL Reserve	-	-	-	1,055,832
Revenue bond 2010 debt service	-	-	-	1,194,322
Customer deposits	-	-	-	832,190
	$ 270,204	$ 196	$ 87,275	$ 3,214,096

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, 2012 by the County totaled $3,047,453. 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, 2012, 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 30-Jun	Annual Pension Cost (APC)	Annual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2006	-	-	100%	-
2007	-	-	100%	-
2008	-	-	100%	-
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 July 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
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
7/1/2009	204,080	81,080	(123,000)	251.7%	N/A	N/A
7/1/2010	245,575	79,640	(165,935)	308.4%	N/A	N/A

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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, 2012, the County's annual pension cost was $450,694 and the amount actually contributed was $0. The required contribution was determined as part of the January 1, 2012 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, 2012 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
2010	$ 374,576	$ 362,200	97%	$ (81,804)
2011	437,311	464,628	106%	(69,428)
2012	450,694	N/A	N/A	(96,745)

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	Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
2011	$ 2,164,541	$ 3,039,634	$ 875,093	71.2%	$ 8,591,823	10.2%
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%

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 Commissions and is required to pay annual dues thereto. Membership in a RC 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 Regional Commission 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 Regional Commission. Separate financial statements may be obtained from:

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

F. Prior Period Adjustments

The prior period adjustments are to write-off old account balances.

G. Subsequent Events

The Colony Bank note dated May 4, 2011 with a maturity of May 4, 2012 was renewed on July 2, 2012. The line of credit was converted to a fully amortized loan in the amount of $136,488 with monthly payments of $2,061.02 beginning August 2, 2012. The maturity of this note is July 2, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual (GAAP Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 15,332,794	$ 15,332,794	$ 15,694,751	$ 361,957
Penalties & interest	195,000	195,000	283,465	88,465
Licenses & permits	164,600	164,600	216,357	51,757
Intergovernmental	18,500	18,500	16,065	(2,435)
Charges for services	3,755,656	3,755,656	3,734,177	(21,479)
Fines & forfeitures	826,589	826,589	793,302	(33,287)
Interest revenue	27,478	27,478	17,661	(9,817)
Miscellaneous	151,251	151,251	141,722	(9,529)
Total revenues	20,471,868	20,471,868	20,897,500	425,632
EXPENDITURES				
Board of Commissioners	872,812	872,812	886,110	(13,298)
County Administrator	563,974	563,974	527,322	36,652
Election & registration	165,883	165,883	170,803	(4,920)
Information technology services	194,187	194,187	193,758	429
Tax commissioner	354,224	354,224	354,516	(292)
Tax assesor	526,385	526,385	492,514	33,871
General building & plant maintenance	219,801	219,801	231,268	(11,467)
Clerk, superior court	459,175	459,175	439,547	19,628
Magistrate court	497,067	497,067	518,433	(21,366)
Probate court	223,125	223,125	225,371	(2,246)
Juvenile court	59,016	59,016	35,304	23,712
Court services	-	-	(32,050)	32,050
District attorney	72,447	72,447	72,734	(287)
Indigent care & defense	246,058	246,058	241,916	4,142
Sheriff's department	3,120,537	3,120,537	3,322,241	(201,704)
Criminal justice center	2,050,683	2,050,683	1,997,587	53,096
Fire & emergency management	2,046,821	2,046,821	2,023,925	22,896
Emergency medical services	1,955,528	1,955,528	1,946,601	8,927
Coroner	27,054	27,054	20,493	6,561
Animal control	249,651	249,651	224,095	25,556
Highway & streets	1,773,067	1,773,067	1,789,230	(16,163)
Utility billing department	2,245,041	2,245,041	2,278,948	(33,907)
Health department	307,790	307,790	312,504	(4,714)
Mental health	12,250	12,250	12,250	-
DFACS	21,660	22,000	21,160	840
Recreation	392,125	392,125	359,120	33,005
Library	382,007	382,007	377,806	4,201
Forestry commission	12,890	12,890	12,890	-
Planning & engineering	436,260	436,260	402,613	33,647
Building Inspector	257,447	257,447	259,851	(2,404)
County extension services	77,818	77,818	80,112	(2,294)
Debt service	284,270	284,270	354,483	(70,213)
Total expenditures	20,107,053	20,107,393	20,153,455	(46,062)
Excess (deficiency) of revenues over (under) expenditures	364,815	364,475	744,045	471,694
OTHER FINANCING SOURCES (USES)				
Transfers in	667,584	667,584	-	(667,584)
Transfers out	(582,941)	(582,941)	(696,078)	113,137
Capital leases	-	-	-	-
Use of reserves	-	-	-	-
Total other financing sources (uses)	84,643	84,643	(696,078)	(554,447)
Net change in fund balances	449,458	449,118	47,967	(82,753)
Fund balances- beginning	-	-	7,845,378	7,845,378
Fund balances- Ending	$ -	$ -	$ 7,893,345	$ 7,762,625

Development Authority Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual (GAAP Basis)
For The Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest revenue	$ -	$ -	$ -	$ -
Miscellaneous	-	-	4,322	
Total revenue	-	-	4,322	4,322
EXPENDITURES				
Current				
Housing & development	188,228	188,228	179,434	8,794
Debt servicing	261,230	261,230	262,337	(1,107)
Total expenditures	449,458	449,458	441,771	7,687
Excess (deficiency) of revenues over (under) expenditures	(449,458)	(449,458)	(437,449)	12,009
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	143,975	143,975	442,858	298,883
Total other financing sources (uses)	143,975	143,975	442,858	298,883
Net change in fund balances	(305,483)	(305,483)	5,409	310,892
Fund balances- beginning	523,266	523,266	523,266	-
Fund balances- Ending	$ 217,783	$ 217,783	$ 528,675	$ 310,892

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 #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.

1% SPLOST #6 BONY Advance Fund- This fund is used to account for the general obligation sales tax bonds, series 2011, 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, 2013 through September 30, 2019.

General Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 4,862,563	$ 5,856,259
Receivables, net of allowance for uncollectibles		
Taxes	466,679	242,202
Accounts	709,038	312,741
Internal balance	996,494	439,648
Prepaid insurance	406,323	135,206
Due from other funds		
E-911 special revenue fund	92,011	96,685
1% SPLOST #6 BONY advance capital projects fund	100	-
1% SPLOST #5 BONY- advance capital projects fund	341,529	343,392
Building inspection special revenue fund	-	-
Special assessment special revenue fund	38,499	39,269
Utility authority enterprise fund	-	1,198,840
Solid waste enterprise fund	-	25,363
Golf complex enterprise fund	(165)	-
Employee medical internal service fund	630,195	4,275,247
Drug education and treatment	899	899
1% SPLOST #5 proceeds	16,735	280,225
Restricted assets		
Cash & cash equivalents	275,290	74,262
Total assets	$ 8,836,190	$ 13,320,238
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 467,984	$ 450,906
Accrued wages, withholdings & benefits	172,612	57,721
Compensated absences payable	54,692	40,910
Due to other funds		
1% SPLOST #5 proceeeds	-	272,935
Utility authority enterprise fund	-	476,979
Golf complex enterprise fund	-	5,033
E-911 special revenue fund	-	4,673
Employee medical internal service fund	-	3,923,500
Deferred Revenue		
Property taxes	247,557	242,202
Total liabilities	942,845	5,474,859
Fund Balances		
Unreserved, special revenue funds	275,290	74,262
Undesignated	7,618,055	7,771,117
Total fund balances	7,893,345	7,845,378
Total liabilities & fund balances	$ 8,836,190	$ 13,320,238

General Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Taxes	$ 15,978,216	$ 15,866,000
Licenses & permits	216,357	183,189
Intergovernmental	16,065	95,806
Charges for services	3,734,177	3,745,485
Fine & forfeitures	793,302	889,623
Investment income	17,661	29,308
Miscellaneous	141,722	215,683
Total revenues	20,897,500	21,025,094
EXPENDITURES		
Current		
General government	5,135,239	5,372,003
Judicial	1,501,254	1,572,873
Public safety	9,534,942	9,319,000
Public works	1,789,230	2,067,274
Health & welfare	426,026	421,268
Culture & recreation	736,926	818,406
Housing & development	675,355	692,133
Debt service	354,483	396,499
Total expenditures	20,153,455	20,659,456
Excess (deficiency) of revenues over (under) expenditures	744,045	365,638
OTHER FINANCING SOURCES (USES)		
Transfers in		
Jail special revenue fund	39,296	46,450
1% SPLOST #4 capital projects fund	-	(831)
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	(235,030)	(274,814)
Development authority special revenue fund	(442,858)	(439,486)
Solid waste enterprise fund	(57,486)	(99,250)
Capital leases	-	612,623
Total other financing sources (uses)	(696,078)	(23,612)
Net change in fund balances	47,967	342,026
Fund balance- beginning	7,845,378	7,503,352
Fund balance- Ending	$ 7,893,345	$ 7,845,378

Development Authority Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 529,782	$ 523,266
Total assets	$ 529,782	$ 523,266
LIABILITIES & FUND BALANCES		
Liabilities	$ 1,107	$ -
Total liabilities	1,107	-
Fund Balances		
Unreserved	528,675	523,266
Total fund balances	528,675	523,266
Total liabilities & fund balances	$ 529,782	$ 523,266

Development Authority Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Interest revenues	$ 4,322	$ 3,482
Miscellaneous	-	120,000
Total revenues	4,322	123,482
EXPENDITURES		
Current		
Housing & development	179,434	181,740
Debt service	262,337	261,230
Total expenditures	441,771	442,970
Excess (deficiency) of revenues over (under) expenditures	(437,449)	(319,488)
OTHER FINANCING SOURCES (USES)		
Transfers in (out)		
General fund	442,858	141,396
Proceeds of capital asset dispositions	-	-
Total other financing sources (uses)	442,858	141,396
Net changes in fund balances	5,409	(178,092)
Fund balances- beginning	523,266	701,357
Fund balances- Ending	$ 528,675	$ 523,266

1% SPLOST #5 BONY- Advance Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Due from other funds		
General fund	$ (480,804)	$ (575,362)
Restricted assets		
Cash & cash equivalents	196	90,351
Total assets	$ (480,608)	$ (485,011)
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 8,278	$ 4,213
Accrued and other liabilities	1,738	-
Due to other funds		-
1% SPLOST #4 capital projects fund		-
Total liabilities	10,016	4,213
Fund Balances		
Reserved for capital expenditure	(490,624)	(489,224)
Unreserved	-	-
Total fund balances	(490,624)	(489,224)
Total liabilities & fund balances	$ (480,608)	$ (485,011)

1% SPLOST #5 BONY- Advance Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Interest revenue	$ 338	$ 3,019
Total revenues	338	3,019
EXPENDITURES		
Current		
Public works		
Intergovernmental payments of SPLOST		-
City of Leesburg		-
Capital outlay	-	-
Debt service	2,095,438	2,099,226
Total expenditures	2,095,438	2,099,226
Excess (deficiency) of revenues over (under) expenditures	(2,095,100)	(2,096,207)
OTHER FINANCING SOURCES (USES)		
Transfers in	2,093,700	3,250,521
Transfers out	-	-
Total other financing sources (uses)	2,093,700	3,250,521
Net change in fund balances	(1,400)	1,154,314
Fund balance- beginning	(489,224)	(1,643,538)
Fund balance- Ending	$ (490,624)	$ (489,224)

1% SPLOST #5 Tax Proceeds Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 2,353,597	$ 3,259,670
Receivables, net of allowance for uncollectibles		
Intergovernmental	1,237,917	844,424
Due from other funds		
General fund F100	263,490	-
Splost V BONY fund F225	3,141,307	-
Splost IV fund F225	-	-
Total assets	$ 6,996,311	$ 4,104,094
LIABILITIES & FUND BALANCES		
Due to other funds		
General fund F100	3,282,257	-
Accounts payable	272,438	18,459
Accrued and other liabilities	9,331	-
Total liabilities	3,564,026	18,459
Fund Balances		
Reserved for capital expenditure	3,432,285	4,085,635
Unreserved	-	-
Total fund balances	3,432,285	4,085,635
Total liabilities & fund balances	$ 6,996,311	$ 4,104,094

1% SPLOST #5 Tax Proceeds Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Taxes		
General sales & use		
Special purpose local option sales & use	$ 5,457,589	$ 4,413,824
Interest revenue	4,584	4,691
Miscellaneous	-	-
Total revenues	5,462,173	4,418,515
EXPENDITURES		
General expenditures	3,482,648	1,607,279
Intergovernmental	65,577	-
Debt service	473,598	-
Total expenditures	4,021,823	1,607,279
Excess (deficiency) of revenues over (under) expenditures	1,440,350	2,811,236
OTHER FINANCING SOURCES (USES)		
Transfers in		
SPLOST debt service fund	-	-
Transfers out		
BONY SPLOST V	(2,093,700)	(3,132,264)
Total other financing sources (uses)	(2,093,700)	(3,132,264)
Net change in fund balances	(653,350)	(321,028)
Fund balance- beginning	4,085,635	4,870,052
Fund balance- Ending	$ 3,432,285	$ 4,549,024

1% SPLOST #6 BONY- Advance Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ -	$ -
Restricted assets		
Cash & cash equivalents	2,388,112	-
Total assets	$ 2,388,112	$ -
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ -	$ -
Accrued and other liabilities	52,930	-
Due to other funds		
General fund	100	-
Total liabilities	53,030	-
Fund Balances		
Reserved for capital expenditure	2,335,082	-
Unreserved	-	-
Total fund balances	2,335,082	-
Total liabilities & fund balances	$ 2,388,112	$ -

1% SPLOST #6 BONY- Advance Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Taxes		
General sales & use		
Special purpose local option sales & use	$ -	$ -
Charges for services		
State road maintenance fees	-	-
Interest revenue	106	-
Total revenues	106	-
EXPENDITURES		
Current		
General government	11,202	-
Public safety	68,435	-
Capital outlay	906,047	
Debt service	129,649	-
Total expenditures	1,115,333	-
Excess (deficiency) of revenues over (under) expenditures	(1,115,227)	-
OTHER FINANCING SOURCES (USES)		
	-	-
Debt issuance	3,450,309	-
Total other financing sources (uses)	3,450,309	-
Net change in fund balances	2,335,082	-
Fund balance- beginning	-	-
Fund balance- Ending	$ 2,335,082	$ -

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.

Law Library- This fund is used to account for the revenues generated through special filing charges in the court system which are used to acquire and maintain library materials.

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 #4 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 October 1, 2002 through September 30, 2007 to build roads and bridges, recreational facilities, public safety facilities and various municipal water and sewer projects.

Nonmajor Governmental Funds
Combining Schedule of Assets, Liabilities & Fund Balances
June 30, 2012

	Special Revenue Funds									
	1% SPLOST #4	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	$ -	$ 49,488	$ 22,727	$ 406	$ 10,848	$ 29,042	$ 5,056	$ 856,978	$ 14,910	$ 989,455
Receivables, net	-	933	2,691	(176)	-	(132)	66,230	-	-	69,546
Intergovernmental	-	(899)	-	-	-	-	-	(39,028)	-	(39,927)
Restricted assets										
Cash & cash equivalents	243,636	-	-	-	-	-	39,514	-	-	283,150
Total Assets	$ 243,636	$ 49,522	$ 25,418	$ 230	$ 10,848	$ 28,910	$ 110,800	$ 817,950	$ 14,910	$ 1,302,224
LIABILITIES & FUND EQUITY										
Liabilities										
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,964	$ -	$ -	$ 2,964
Accrued wages	-	-	-	-	-	-	6,998	-	-	6,998
Compensated absences	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	433,954	-	-	433,954
Total liabilities	-	-	-	-	-	-	443,916	-	-	443,916
Fund balances										
Reserved for capital expenditure	243,636	-	-	-	-	-	39,514	-	-	283,150
Unreserved	-	49,522	25,418	230	10,848	28,910	(372,630)	817,950	14,910	575,158
Total fund balances	243,636	49,522	25,418	230	10,848	28,910	(333,116)	817,950	14,910	858,308
Total liabilities & fund balances	$ 243,636	$ 49,522	$ 25,418	$ 230	$ 10,848	$ 28,910	$ 110,800	$ 817,950	$ 14,910	$ 1,302,224

Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures & Changes in Fund Balances
For the Year Ended June 30, 2012

	Special Revenue Funds									
	1% SPLOST #4	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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,234	$ 3,234
Charges for services	-	10,504	39,927	-	-	10,849	375,939	99,416	-	536,635
Interest revenue	253	235	186	-	110	58	178	4,110	78	5,208
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	253	10,739	40,113	-	110	10,907	376,117	103,526	3,312	545,077
EXPENDITURES										
Current										
Judical	-	24,074	-	-	21,754	-	-	-	-	45,828
Public safety	-	-	-	-	-	-	679,126	-	-	679,126
Housing & development	-	-	-	-	-	-	-	64,131	-	64,131
Culture & recreation	(277)	-	-	-	-	-	-	-	3,500	3,223
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	70,474	-	-	70,474
Total expenditures	(277)	24,074	-	-	21,754	-	749,600	64,131	3,500	862,782
Excess (deficiency) of revenues over (under) expenditures	530	(13,335)	40,113	-	(21,644)	10,907	(373,483)	39,395	(188)	(317,705)
OTHER FINANCING SOURCES (USES)										
Transfer in	-	-	-	-	-	-	235,030	-	-	235,030
Transfer out	-	-	(39,296)	-	-	-	-	-	-	(39,296)
Total other financing sources (uses)	-	-	(39,296)	-	-	-	235,030	-	-	195,734
net change in fund balances	530	(13,335)	817	-	(21,644)	10,907	(138,453)	39,395	(188)	(121,971)
Fund balances- beginning	243,106	62,857	24,601	230	32,492	18,003	(194,663)	778,555	15,098	980,279
Fund balances- ending	$ 243,636	$ 49,522	$ 25,418	$ 230	$ 10,848	$ 28,910	$ (333,116)	$ 817,950	$ 14,910	$ 858,308

1% SPLOST #4 Capital Projects Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Restricted Cash & cash equivalents	$ 243,636	$ 270,474
Total assets	$ 243,636	$ 270,474
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ 27,368
Total liabilities	-	27,368
Fund Balances		
Reserved for capital expenditures	243,636	243,106
Total fund balances	243,636	243,106
Total liabilities & fund balances	$ 243,636	$ 270,474

1% SPLOST #4 Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Intergovernmental	$ -	$ 52,469
Interest revenues	253	1,173.00
Miscellaneous revenues	-	1,816.00
Total revenues	$ 253	$ 55,458
EXPENDITURES		
Current		
Public Safety	$ -	$ 20,548
Capital Outlay	(277)	178,616
Intergovernmental	-	501,089
Total expenditures	(277)	700,253
Excess (deficiency) of revenues over (under) expenditures	530	(644,795)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	(269,446)
Total other financing sources (uses)	-	(269,446)
Net changes in fund balances	530	(914,241)
Fund balances- beginning	243,106	1,157,347
Fund balances- Ending	$ 243,636	$ 243,106

1% SPLOST #4 Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2012

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Interest revenue	$ -	$ 253	$ 253
Total revenue	-	253	253
EXPENDITURES			
Current			
	-	(277)	277
Total expenditures	-	(277)	277
Excess (deficiency) of revenues over (under) expenditures	-	530	(24)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	530	(24)
Fund balances- beginning	-	243,106	243,106
Fund balances- Ending	$ -	$ 243,636	$ 243,082

Drug Abuse Treatment & Education Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 49,488	$ 63,010
Accounts receivable	933	746
Intergovernmental	(899)	-
Total assets	$ 49,522	$ 63,756
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ 899
Total liabilities	-	899
Fund Balances		
Unreserved	49,522	62,857
Total fund balances	49,522	62,857
Total liabilities & fund balances	$ 49,522	$ 63,756

Drug Abuse Treatment & Education Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Fines & forfeitures	$ 10,504	$ 10,669
Interest revenues	235	611
Total revenues	10,739	11,280
EXPENDITURES		
Current		
Public Safety	24,074	21,222
Total expenditures	24,074	21,222
Excess (deficiency) of revenues over (under) expenditures	(13,335)	(9,942)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net changes in fund balances	(13,335)	(9,942)
Fund balances- beginning	62,857	72,799
Fund balances- Ending	$ 49,522	$ 62,857

Drug Abuse Treatment & Education Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2012

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Fine & forfeitures	$ 8,550	$ 10,504	$ 1,954
Interest revenue	729	235	(494)
Total revenue	9,279	10,739	1,460
EXPENDITURES			
Current			
Public Safety	9,279	24,074	(14,795)
Total expenditures	9,279	24,074	(14,795)
Excess (deficiency) of revenues over (under) expenditures	-	(13,335)	(13,335)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(13,335)	(13,335)
Fund balances- beginning	-	62,857	62,857
Fund balances- Ending	$ -	$ 49,522	$ 49,522

Jail Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 22,727	$ 19,918
Accounts receivable	2,691	4,683
Total assets	$ 25,418	$ 24,601
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	25,418	24,601
Total fund balances	25,418	24,601
Total liabilities & fund balances	$ 25,418	$ 24,601

Jail Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Fines & forfeitures	$ 39,927	$ 46,213
Interest revenues	186	338
Total revenues	40,113	46,551
EXPENDITURES		
Current		
Public Safety	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	40,113	46,551
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	(39,296)	(46,449)
Total other financing sources (uses)	(39,296)	(46,449)
Net changes in fund balances	817	102
Fund balances- beginning	24,601	24,499
Fund balances- Ending	$ 25,418	$ 24,601

Jail Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2012

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Fines & forfeitures	$ 39,005	$ 39,927	$ 922
Interest revenue	291	186	(105)
Total revenue	39,296	40,113	817
EXPENDITURES			
Current			
Public Safety	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	39,296	40,113	817
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(39,296)	(39,296)	-
Total other financing sources (uses)	(39,296)	(39,296)	-
Net change in fund balances	-	817	817
Fund balances- beginning	24,601	24,601	-
Fund balances- Ending	$ 24,601	$ 25,418	$ 817

Building Inspection Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 406	$ 406
Receivables (net of allowance for uncollectibles)	(176)	
Total assets	$ 230	$ 406
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ -	$ 176
Accrued wages, withholdings & benefits	-	-
Due to other funds	-	-
Total liabilities	-	176
Fund Balances		
Unreserved	230	230
Total fund balances	230	230
Total liabilities & fund balances	$ 230	$ 406

Building Inspection Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Taxes	$ -	$ -
Penalties & interest	-	-
Licenses & permits	-	-
Charges for services	-	-
Interest revenue	-	3
Miscellaneous	-	-
Total revenues	-	3
EXPENDITURES		
Current		
Housing & development	-	-
Capital outlay	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	-	3
OTHER FINANCING SOURCES (USES)		
Transfers in	-	98,235
Transfers out		
Hotel/motel tax special revenue fund	-	-
Total other financing sources (uses)	-	98,235
Net change in fund balances	-	98,238
Fund balance- beginning	230	(98,008)
Fund balance- Ending	$ 230	$ 230

Building Inspection Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2012

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

District Attorney Forfeiture Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 10,848	$ 32,492
Total assets	$ 10,848	$ 32,492
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	10,848	32,492
Total fund balances	10,848	32,492
Total liabilities & fund balances	$ 10,848	$ 32,492

District Attorney Forfeiture Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Licenses & permits	$ -	$ -
Fines & forfeitures	-	102,513
Interest revenue	110	298
Miscellaneous	-	-
Total revenues	110	102,811
EXPENDITURES		
Current		
Public Safety	21,754	31,730
Capital outlay	-	66,054
Total expenditures	21,754	97,784
Excess (deficiency) of revenues over (under) expenditures	(21,644)	5,027
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	(21,644)	5,027
Fund balance- beginning	32,492	27,465
Fund balance- Ending	$ 10,848	$ 32,492

District Attorney Forfeiture Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2012

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses & permits	$ -	$ -	$ -
Fines & forfeitures	30,000	-	(30,000)
Interest revenue	331	110	(221)
Miscellaneous	-	-	-
Total revenue	30,331	110	(30,221)
EXPENDITURES			
Current			
Public Safety	30,331	21,754	8,577
Capital outlay	-	-	-
Total expenditures	30,331	21,754	8,577
Excess (deficiency) of revenues over (under) expenditures	-	(21,644)	(38,798)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(21,644)	(38,798)
Fund balances- beginning	32,492	32,492	-
Fund balances- Ending	$ 32,492	$ 10,848	$ (38,798)

Law Library Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 29,042	$ 17,928
Receivables	(132)	75
Total assets	$ 28,910	$ 18,003
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	28,910	18,003
Total fund balances	28,910	18,003
Total liabilities & fund balances	$ 28,910	$ 18,003

Law Library Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Licenses & permits	$ -	$ -
Fines & forfeitures	10,849	9,960
Interest revenue	58	32
Miscellaneous	-	-
Total revenues	10,907	9,992
EXPENDITURES		
Current		
Public Safety	-	-
Capital outlay	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	10,907	9,992
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	10,907	9,992
Fund balance- beginning	18,003	8,010
Fund balance- Ending	$ 28,910	$ 18,003

Law Library Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2012

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses & permits	$ -	$ -	$ -
Fines & forfeitures	9,600	10,849	1,249
Interest revenue	27	58	31
Miscellaneous	-	-	-
Total revenue	9,627	10,907	1,280
EXPENDITURES			
Current			
Public Safety	9,627	-	9,627
Capital outlay	-	-	-
Total expenditures	9,627	-	9,627
Excess (deficiency) of revenues over (under) expenditures	-	10,907	(8,347)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	10,907	(8,347)
Fund balances- beginning	18,003	18,003	-
Fund balances- Ending	$ 18,003	$ 28,910	$ (8,347)

E-911 Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 5,056	$ 12,920
Receivables (net of allowance for uncollectibles)	66,230	68,467
Intergovernmental receivable		
General fund	-	4,674
Restricted assets		
Cash & cash equivalents	39,514	42,381
Accounts receivable	-	-
Total assets	$ 110,800	$ 128,442
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ 2,964	$ 8,122
Accrued wages, withholdings & benefits	6,998	4,320
Due to internal service fund	341,778	213,978
Due to other funds	92,176	96,685
Total liabilities	443,916	323,105
Fund Balances		
Reserved for capital expenditures	39,514	42,381
Unreserved	(372,630)	(237,044)
Total fund balances	(333,116)	(194,663)
Total liabilities & fund balances	$ 110,800	$ 128,442

E-911 Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Charges for services		
E-911 Charges	$ 375,939	$ 388,183
Interest revenue	178	167
Miscellaneous	-	-
Total revenues	376,117	388,350
EXPENDITURES		
Current		
Public safety	679,126	642,993
Capital outlay	-	-
Debt service	70,474	140,454
Total expenditures	749,600	783,447
Excess (deficiency) of revenues over (under) expenditures	(373,483)	(395,097)
OTHER FINANCING SOURCES (USES)		
Transfers in		
General fund	235,030	274,814
Transfers out	-	-
Capital leases	-	-
Total other financing sources (uses)	235,030	274,814
Net change in fund balances	(138,453)	(120,283)
Fund balance- beginning	(194,663)	(74,380)
Fund balance- Ending	$ (333,116)	$ (194,663)

E-911 Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2012

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services			
E-911 charges	$ 333,821	$ 375,939	$ 42,118
Interest revenue	190	178	(12)
Miscellaneous	-	-	-
Total revenue	334,011	376,117	42,106
EXPENDITURES			
Current			
Public Safety	657,631	679,126	(21,495)
Capital outlay	-	-	-
Debt service	70,227	70,474	(247)
Total expenditures	727,858	749,600	(21,742)
Excess (deficiency) of revenues over (under) expenditures	(393,847)	(373,483)	63,848
OTHER FINANCING SOURCES (USES)			
Transfers in	393,847	235,030	158,817
Transfers out	-	-	-
Total other financing sources (uses)	393,847	235,030	158,817
Net change in fund balances	-	(138,453)	222,665
Fund balances- beginning	(194,663)	(194,663)	-
Fund balances- Ending	$ (194,663)	$ (333,116)	$ 222,665

Special Assessment Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 856,978	$ 818,353
Intergovernmental receivable	(39,028)	(39,798)
Total assets	$ 817,950	$ 778,555
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	$ -	$ -
Due to internal service fund	-	529
Due to other funds	-	39,269
Total liabilities	-	39,798
Fund Balances		
Unreserved	817,950	738,757
Total fund balances	817,950	738,757
Total liabilities & fund balances	$ 817,950	$ 778,555

Special Assessment Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Charges for services		
Impact fees	$ 99,416	$ 60,858
Interest revenue	4,110	6,919
Total revenues	103,526	67,777
EXPENDITURES		
Current		
Housing & development	64,131	81,051
Total expenditures	64,131	81,051
Excess (deficiency) of revenues over (under) expenditures	39,395	(13,274)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	217,599
Transfers out		
Total other financing sources (uses)	-	217,599
Net change in fund balances	39,395	204,325
Fund balance- beginning	778,555	574,231
Fund balance- Ending	$ 817,950	$ 778,555

Special Assessment Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2012

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services			
Impact fees	$ 51,000	$ 99,416	$ 48,416
Interest revenue	7,700	4,110	(3,590)
Total revenue	58,700	103,526	44,826
EXPENDITURES			
Current			
Housing & development	64,500	64,131	369
Total expenditures	64,500	64,131	369
Excess (deficiency) of revenues over (under) expenditures	(5,800)	39,395	44,457
OTHER FINANCING SOURCES (USES)			
Transfers in	5,800	-	(5,800)
Transfers out	-	-	-
Total other financing sources (uses)	5,800	-	(5,800)
Net change in fund balances	-	39,395	38,657
Fund balances- beginning	778,555	778,555	-
Fund balances- Ending	$ 778,555	$ 817,950	$ 38,657

Hotel/Motel Tax Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash & cash equivalents	$ 14,910	$ 15,098
Due from other funds		
Building inspection special revenue fund	-	-
Total assets	$ 14,910	$ 15,098
LIABILITIES & FUND BALANCES		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund Balances		
Unreserved	14,910	15,098
Total fund balances	14,910	15,098
Total liabilities & fund balances	$ 14,910	$ 15,098

Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
June 30, 2012 and 2011

	2012	2011
REVENUES		
Taxes		
Hotel/motel	$ 3,234	$ 3,589
Interest	78	182
Total revenues	3,312	3,771
EXPENDITURES		
Culture & recreation	3,500	3,500
Total expenditures	3,500	3,500
Excess (deficiency) of revenues over (under) expenditures	(188)	271
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	(188)	271
Fund balance- beginning	15,098	14,827
Fund balance- Ending	$ 14,910	$ 15,098

Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances- Budget & Actual
For The Year Ended June 30, 2012

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	$ 3,500	$ 3,234	(266)
Interest	215	78	(137)
Total revenue	3,715	3,312	(137)
EXPENDITURES			
Liabilities	3,715	3,500	215
Total expenditures	3,715	3,500	215
Excess (deficiency) of revenues over (under) expenditures	-	(188)	(352)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(188)	(352)
Fund balances- beginning	15,098	15,098	-
Fund balances- Ending	$ 15,098	$ 14,910	$ (352)

Major Proprietary Funds

Utility Authority Enterprise Fund
Schedule of Net Assets
June 30, 2012 and 2011

	2012	2011
ASSETS		
Current Assets		
Cash & cash equivalents	$ 750,350	$ 866,393
Receivables, net of allowance for uncollectibles	49,428	229,300
Due from other funds		
General fund	(944,165)	(721,843)
Prepaid items	-	13,212
Inventory	-	-
Restricted assets		
Cash & cash equivalents	2,381,907	1,270,491
Total current assets	2,237,520	1,657,553
Noncurrent Assets		
Restricted assets		
Cash & cash equivalents	331,655	646,401
Investments	-	-
Total restricted assets	331,655	646,401
Deferred charges	1,065,081	1,101,827
Capital assets not being depreciated		
Land	77,310	77,310
Capital assets net of accumulated depreciated		
Buildings & infrastructure	22,899,324	23,974,362
Machinery & equipment	-	-
Total capital assets net of accumulated depreciation	22,976,634	24,051,672
Total noncurrent assets	24,373,370	25,799,900
Total assets	26,610,890	27,457,453
LIABILITIES		
Current liabilities		
Accounts payable	33,170	37,453
Accrued and other liabilities	8,396	-
Accrued wages & withholdings	-	(11,672)
Due to other funds	134,912	134,912
Accrued interest payable	346,338	350,174
Deferred revenue	102,118	109,727
Loans payable- current	258,408	253,308
Revenue bonds payable- current	440,000	415,000
Total current liabilities	1,323,342	1,288,902
Noncurrent liabilities		
Customer deposits	325,257	395,453
Compensated absences	40,346	23,077
Loans payable	2,233,684	2,484,483
Revenue bonds payable	21,030,084	21,464,119
Total noncurrent liabilities	23,629,371	24,367,132
Total liabilities	24,952,713	25,656,034
NET ASSETS		
Invested in capital assets, net of related debt	(985,542)	(565,238)
Restricted	1,608,194	1,061,538
Unrestricted	1,035,525	1,305,119
Total net assets	$ 1,658,177	$ 1,801,419

Utility Authority Enterprise Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Changes for sales & services		
Water & sewer charges	$ 2,932,757	$ 3,026,601
Tap, meter & reconnect fees	424,832	341,288
Other	219,347	99,541
Total operating revenues	3,576,936	3,467,430
OPERATING EXPENSES		
Personal services & employee benefits	634,507	565,541
Purchased/contracted services	475,999	395,648
Supplies	554,625	566,981
Depreciation	1,099,528	1,086,009
Total operating expenses	2,764,659	2,614,179
Operating income (loss)	812,277	853,251
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	-	-
Investment income	23,702	15,301
Contributions & donations	-	7,610
Interest on long-term debt	(890,975)	(918,532)
Fiscal agent's fees	(1,847)	(2,771)
Bond issuance costs	(42,713)	(42,713)
Total nonoperating revenues (expenses)	(911,833)	(941,105)
Income (loss) before contributions & transfers	(99,556)	(87,854)
Capital contributions	-	-
Transfers in	-	-
Transfers out	-	-
Net income (loss)	(99,556)	(87,854)
Net assets- beginning of year	1,801,419	1,562,840
Prior period adjustment	(43,686)	326,433
Net assets- end of year	$ 1,658,177	$ 1,801,419

Utility Authority Enterprise Fund
Schedule of Cash Flows
For the Year Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 3,899,657	$ 3,684,084
Payments to suppliers	(1,033,084)	(960,867)
Payments to employees	(549,472)	(527,853)
Payments for interfund services used	(74,556)	(53,256)
Net cash provided (used) by operating activities	2,242,545	2,142,108
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in		-
Net cash provided (used) by noncapital financing	-	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
Proceeds from capital debt	-	-
Acquisition & construction of capital assets	(24,489)	(597,626)
Principal paid on capital debt	(668,308)	(248,665)
Interest paid on capital debt	(890,976)	(573,238)
Payments of fiscal agent's fees	(1,847)	(2,771)
Debt issuance costs	-	-
Net cash provided (used) by capital related financing activities	(1,585,620)	(1,422,300)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales & maturities of investments	-	-
Purchase of investments	-	-
Investment income	23,702	15,301
Net cash provided (used) by investing activities	23,702	15,301
Net increase (decrease) in cash & cash equivalents	680,627	735,109
Cash & cash equivalents- beginning of year	2,783,285	2,048,175
Cash & cash equivalents- end of year	$ 3,463,912	$ 2,783,284
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ 812,277	$ 853,251
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	1,142,241	1,086,009
(Increase) decrease in accounts receivable	179,889	7,543
(Increase) decrease in due from other funds	-	-
(Increase) decrease in other assets	13,212	-
(Increase) decrease in accounts payable	(4,283)	(7,230)
(Increase) decrease in accrued wages & withholdings	(17,622)	(22,767)
(Increase) decrease in deferred revenue	-	-
(Increase) decrease in compensated absences payable	-	-
(Increase) decrease in due to other funds	46,535	232,765
(Increase) decrease in other current liabilities	70,296	(7,463)
(Increase) decrease in customer deposits	-	-
Net cash provided (used) by operating activities	$ 2,242,545	$ 2,142,108

Solid Waste Enterprise Fund
Schedule of Net Assets
June 30, 2012 and 2011

	2012	2011
ASSETS		
Current Assets		
Cash & cash equivalents	$ 3,949	$ 14,338
Receivables, net of allowance for uncollectibles	1,248	1,190
Due from other funds		
General	(25,363)	(25,381)
Prepaid items	550	568
Total current assets	(19,616)	(9,285)
Noncurrent Assets		
Capital assets not being depreciated		
Land	163,000	163,000
Capital assets net of accumulated depreciated		
Machinery & equipment	8,334	9,181
Total capital assets net of accumulated depreciation	171,334	172,181
Total noncurrent assets	171,334	172,181
Total assets	151,718	162,896
LIABILITIES		
Current liabilities		
Accounts payable	11,072	17,374
Accrued and other liabilities	741	480
Due to other funds		
General fund	65,335	44,035
Employee medical internal service fund	-	-
Closure & post closure care costs	-	-
Total current liabilities	77,148	61,889
Noncurrent liabilities		
Compensated absences	5,312	4,020
Closure & post closure care costs	751,736	1,045,236
Total noncurrent liabilities	757,048	1,049,256
Total liabilities	834,196	1,111,145
NET ASSETS		
Invested in capital assets, net of related debt	171,334	172,181
Restricted	-	-
Unrestricted	(853,812)	(1,120,430)
Total net assets	$ (682,478)	$ (948,249)

Solid Waste Enterprise Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Changes for sales & services		
Disposal fees	$ 126,985	$ 118,640
Other	-	-
Total operating revenues	126,985	118,640
OPERATING EXPENSES		
Personal services & employee benefits	75,217	72,134
Purchased/contracted services	(162,599)	155,857
Supplies	5,291	5,975
Depreciation	847	847
Total operating expenses	(81,244)	234,813
Operating income (loss)	208,229	(116,173)
NONOPERATING REVENUES (EXPENSES)		
Interest revenues	56	61
Total nonoperating revenues (expenses)	56	61
Income (loss) before contributions & transfers	208,285	(116,112)
Transfers in		
General fund	57,486	99,250
Transfers out	-	-
Net income (loss)	265,771	(16,862)
Net assets- beginning of year	(948,249)	(931,387)
Net assets- end of year	$ (682,478)	$ (948,249)

Solid Waste Enterprise Fund
Schedule of Cash Flows
For the Year Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 126,927	$ 117,876
Payments to suppliers	(118,087)	(131,420)
Payments to employees	(55,471)	(52,333)
Payments for interfund services used	(21,300)	(21,300)
Net cash provided (used) by operating activities	(67,931)	(87,177)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in		
General fund	57,486	99,250
Net cash provided (used) by noncapital financing	57,486	99,250
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
	-	-
Net cash provided (used) by capital related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	56	61
Net cash provided (used) by investing activities	56	61
Net increase (decrease) in cash & cash equivalents	(10,389)	12,134
Cash & cash equivalents- beginning of year	14,338	2,204
Cash & cash equivalents- end of year	$ 3,949	$ 14,338
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ 208,229	$ (116,173)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	847	847
(Increase) decrease in accounts receivable	(58)	(80)
(Increase) decrease in other assets	-	-
(increase) decrease in prepaid items	-	-
(increase) decrease in accounts payable	(6,302)	8,408
(Increase) decrease in accrued wages & withholdings	(1,031)	(1,499)
(Increase) decrease in due to other funds	21,300	22,004
(Increase) decrease in other current liabilities	2,584	(684)
(Increase) decrease in closure & postclosure	(293,500)	-
Net cash provided (used) by operating activities	$ (67,931)	$ (87,177)

Golf Complex Enterprise Fund
Schedule of Net Assets
June 30, 2012 and 2011

	2012	2011
ASSETS		
Current Assets		
Cash & cash equivalents	$ 41,127	$ 28,906
Receivables, net of allowance for uncollectibles	37,932	73,815
Due from other funds		
General fund	(26,966)	5,033
Inventories	12,305	22,034
Prepaid items	-	6,496
Total current assets	64,398	136,284
Noncurrent Assets		
Capital assets not being depreciated		
Land	2,536,452	2,536,452
Capital assets net of accumulated depreciated		
Buildings & infrastructure	603,819	623,418
Improvements other than buildings	121,421	125,663
Machinery & equipment	100,642	177,438
Total capital assets net of accumulated depreciation	3,362,334	3,462,971
Total noncurrent assets	3,362,334	3,462,971
Total assets	3,426,732	3,599,255
LIABILITIES		
Current liabilities		
Accounts payable	10,359	14,914
Accrued and other liabilities	6,211	53,849
Compensated absences	-	-
Due to other funds		
General fund	43,936	-
Employee medical internal service fund	-	-
Deferred revenue	-	17,229
Notes payable- current	172,071	183,621
Other current liabilities	-	-
Total current liabilities	232,577	269,613
Noncurrent liabilities		
Compensated absences	19,435	13,982
Notes payable	56,084	89,443
Total noncurrent liabilities	75,519	103,425
Total liabilities	308,096	373,038
NET ASSETS		
Invested in capital assets, net of related debt	3,134,179	3,189,907
Restricted	-	-
Unrestricted	(15,543)	36,310
Total net assets	$ 3,118,636	$ 3,226,217

Golf Complex Enterprise Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Changes for sales & services	$ 850,902	$ 893,112
Total operating revenues	850,902	893,112
OPERATING EXPENSES		
Personal services & employee benefits	456,230	437,702
Purchased/contracted services	220,892	245,998
Supplies	133,612	161,289
Depreciation	100,637	85,792
Total operating expenses	911,371	930,781
Operating income (loss)	(60,469)	(37,669)
NONOPERATING REVENUES (EXPENSES)		
Interest revenues	189	779
Interest on long-term debt	(20,662)	(25,237)
Gain/loss on sale of capital assets	-	-
Total nonoperating revenues (expenses)	(20,473)	(24,458)
Income (loss) before contributions & transfers	(80,942)	(62,127)
Capital contributions		
Transfers in	-	-
Transfers out	-	-
Net income (loss)	(80,942)	(62,127)
Net assets- beginning of year	3,226,217	3,288,344
Prior period adjustment	(26,641)	-
Net assets- end of year	$ 3,118,634	$ 3,226,217

Golf Complex Enterprise Fund
Schedule of Cash Flows
For the Year Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 929,642	$ 869,655
Payments to suppliers	(371,389)	(429,994)
Payments to employees	(438,050)	(417,325)
Payments for interfund services used	(42,600)	(31,950)
Net cash provided (used) by operating activities	77,603	(9,614)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
	-	-
Net cash provided (used) by noncapital financing	-	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING		
Acquisition & construction of capital assets	-	-
Principal paid on capital debt	(44,909)	(25,901)
Interest paid on capital debt	(20,662)	(25,237)
Proceeds from sale of capital assets	-	-
Net cash provided (used) by capital related financing activities	(65,571)	(51,138)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	189	779
Net cash provided (used) by investing activities	189	779
Net increase (decrease) in cash & cash equivalents	12,221	(59,973)
Cash & cash equivalents- beginning of year	28,906	88,879
Cash & cash equivalents- end of year	$ 41,127	$ 28,906
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ (60,469)	$ (37,669)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	100,637	85,792
(Increase) decrease in accounts receivable	35,883	(23,457)
(Increase) decrease in due from other funds	-	-
(Increase) decrease in inventories	9,729	(6,341)
(Increase) decrease in prepaid items	-	-
(Increase) decrease in accounts payable	(4,554)	(13,074)
(Increase) decrease in accrued wages & withholdings	1,738	(11,573)
(Increase) decrease in compensated absences payable	-	-
(Increase) decrease in due to other funds	-	87
(Increase) decrease in other current liabilities	(5,361)	(3,379)
Net cash provided (used) by operating activities	$ 77,603	$ (9,614)

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, 2012 and 2011

	2012	2011
ASSETS		
Current Assets		
Cash & cash equivalents	$ 28,098	$ 51,298
Receivables, net of allowance for uncollectibles	-	-
Due from other funds		
General fund	5,184,955	3,923,500
E-911 special revenue fund	342,307	213,978
Building inspection special revenue fund	-	-
Solid waste enterprise fund	65,335	44,035
Utility Authority	134,912	134,912
Golf complex enterprise fund	43,936	43,936
Special assessment fund 208	-	529
Prepaid items	-	-
Total current assets	5,799,543	4,412,188
Total assets	5,799,543	4,412,188
LIABILITIES		
Current liabilities		
Accounts payable	102,584	83,013
Due to other funds		
General fund	5,815,150	4,275,247
Utility Authority	-	-
Total current liabilities	5,917,734	4,358,260
Total liabilities	5,917,734	4,358,260
NET ASSETS		
Invested in capital assets, net of related debt	-	-
Restricted	-	-
Unrestricted	(118,191)	53,928
Total net assets	$ (118,191)	$ 53,928

Employee Medical Insurance Internal Service Fund
Schedule of Revenues, Expenses & Changes in Fund Net Assets
For the Years Ended June 30, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Changes for sales & services		
Internal changes	$ 2,872,615	$ 2,786,407
Employee premium withheld	-	-
Stop loss claims	-	-
Total operating revenues	2,872,615	2,786,407
OPERATING EXPENSES		
Personal services & employee benefits	2,958,120	2,392,030
Purchased/contracted services	89,333	28,533
Supplies	-	-
Total operating expenses	3,047,453	2,420,563
Operating income (loss)	(174,838)	365,844
NONOPERATING REVENUES (EXPENSES)		
Interest revenues	2,719	900
Total nonoperating revenues (expenses)	2,719	900
Income (loss) before contributions & transfers	(172,119)	366,744
Transfers in		
General fund	-	-
Transfers out	-	-
Net income (loss)	(172,119)	366,744
Net assets- beginning of year	53,928	(312,816)
Net assets- end of year	$ (118,191)	$ 53,928

Employee Medical Insurance Internal Service Fund
Schedule of Cash Flows
For the Year Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from interfund services provided	$ 1,462,060	$ 1,049,572
Payments to suppliers	(1,487,979)	(1,117,792)
Net cash provided (used) by operating activities	(25,919)	(68,220)
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	2,719	900
Net cash provided (used) by investing activities	2,719	900
Net increase (decrease) in cash & cash equivalents	(23,200)	(67,320)
Cash & cash equivalents- beginning of year	51,298	118,618
Cash & cash equivalents- end of year	$ 28,098	$ 51,298
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Operating income (loss)	$ (174,838)	$ 365,844
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
(Increase) decrease in accounts receivable	(1,410,555)	(1,736,836)
(Increase) decrease in due from other funds		-
(Increase) decrease in prepaid items	-	30,178
(Increase) decrease in accounts payable	19,571	(5,676)
(Increase) decrease in due to other funds	1,539,903	1,278,270
Net cash provided (used) by operating activities	$ (25,919)	$ (68,220)

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, 2012

	Agency Funds					
	Tax Commissioner	Probate Court	Clerk of Superior Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash & Cash equivalents	$ 208,131	$ 33,652	$ 361,599	$ 50,585	$ 77,999	$ 731,966
Total assets	208,131	33,652	361,599	50,585	77,999	731,966
LIABILITIES						
Due to others	208,131	33,652	361,599	50,585	77,999	731,966
Total liabilities	$ 208,131	$ 33,652	$ 361,599	$ 50,585	$ 77,999	$ 731,966

Lee County, Georgia
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities
June 30, 2012

Tax Commisioner	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS				
Cash	$ 166,444	$ 26,595,410	$ 26,553,723	$ 208,131
Total assets	$ 166,444	$ 26,595,410	$ 26,553,723	$ 208,131
LIABILITIES				
Accounts payable	$ 166,444	$ 26,595,410	$ 26,553,723	$ 208,131
Total liabilities	$ 166,444	$ 26,595,410	$ 26,553,723	$ 208,131
Probate Court				
ASSETS				
Cash	$ 51,948	$ 484,960	$ 503,256	$ 33,652
Total assets	$ 51,948	$ 484,960	$ 503,256	$ 33,652
LIABILITIES				
Accounts payable	$ 51,948	$ 484,960	$ 503,256	$ 33,652
Total liabilities	$ 51,948	$ 484,960	$ 503,256	$ 33,652
Clerk of Superior Court				
ASSETS				
Cash	$ 380,698	$ 959,767	$ 978,866	$ 361,599
Total assets	$ 380,698	$ 959,767	$ 978,866	$ 361,599
LIABILITIES				
Accounts payable	$ 380,698	$ 959,767	$ 978,866	$ 361,599
Total liabilities	$ 380,698	$ 959,767	$ 978,866	$ 361,599
Magistrate Court				
ASSETS				
Cash	$ 55,196	$ 538,086	$ 542,697	$ 50,585
Total assets	$ 55,196	$ 538,086	$ 542,697	$ 50,585
LIABILITIES				
Accounts payable	$ 55,196	$ 538,086	$ 542,697	$ 50,585
Total liabilities	$ 55,196	$ 538,086	$ 542,697	$ 50,585
Sheriff				
ASSETS				
Cash	$ 65,702	$ 302,689	$ 290,392	$ 77,999
Total assets	$ 65,702	$ 302,689	$ 290,392	$ 77,999
LIABILITIES				
Accounts payable	$ 65,702	$ 302,689	$ 290,392	$ 77,999
Total liabilities	$ 65,702	$ 302,689	$ 290,392	$ 77,999
Total				
ASSETS				
Cash	$ 719,988	$ 28,880,912	$ 28,868,934	$ 731,966
Total assets	$ 719,988	$ 28,880,912	$ 28,868,934	$ 731,966
LIABILITIES				
Accounts payable	$ 719,988	$ 28,880,912	$ 28,868,934	$ 731,966
Total liabilities	$ 719,988	$ 28,880,912	$ 28,868,934	$ 731,966

SUPPLEMENTAL SCHEDULES

General Fund
Schedule of Revenues
For the Years Ended June 30, 2012 and 2011

	2012	2011
REVENUES		
Taxes		
Real property	$ 9,949,307	$ 9,967,399
Personal property	1,308,178	1,312,933
Real estate transfer (intangible)	291,433	258,150
Franchise	186,412	256,265
General sales & use		
Local option sales & use	2,351,963	2,529,080
Selective sales & use	203,218	200,594
Business	1,185,118	1,174,989
Penalties & interest on delinquent taxes	283,465	166,590
	15,759,094	15,866,000
Licenses & permits	226,390	235,193
	226,390	235,193
Intergovernmental	16,065	43,930
Charges for services		
Commissions	195,738	254,977
Public safety		
Detention & correction services	39,974	16,484
Ambulance fees	489,855	538,531
Other public safety fees	11,583	7,354
Pipe & culvert sales	5,663	14,720
Public works- sanitation & lights	2,966,901	2,884,443
Culture & recreation	49,153	50,673
Other charges for services	(24,690)	(21,936)
	3,734,177	3,745,246
Fines & forfeitures		
Superior court	177,713	216,925
Magistrate court	277,003	295,659
Probate court	321,242	346,444
Sheriff	17,344	30,595
	793,302	889,623
Interest revenue	17,661	29,308
Contributions & donations	10,762	11,009
Miscellaneous	120,927	204,785
Total revenues	$ 20,678,378	$ 21,025,094

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2012 and 2011

	2012	2011
EXPENDITURES		
Current		
General Government		
Board of Commissioners		
Personal services & employee benefits	$ 78,297	$ 76,722
Purchased/contracted services	573,292	572,784
Supplies	135,060	126,126
Capital outlay	99,461	-
Other costs	-	87,598
	886,110	863,230
County Administrator		
Personal services & employee benefits	458,703	434,328
Purchased/contracted services	60,822	51,248
Supplies	7,797	6,302
Capital outlay	-	-
Other costs	-	9,519
	527,322	501,397
Election & Registration		
Personal services & employee benefits	109,277	129,627
Purchased/contracted services	38,381	89,174
Supplies	23,145	19,880
Capital outlay	-	-
Other costs	-	-
	170,803	238,681
Information Technology Services		
Personal services & employee benefits	137,522	133,472
Purchased/contracted services	35,886	35,399
Supplies	-	-
Capital outlay	20,350	383,152
Other costs		-
	193,758	552,023
Tax Commissioner		
Personal services & employee benefits	282,543	285,486
Purchased/contracted services	67,526	51,973
Supplies	4,447	7,924
Capital outlay	-	-
Other costs	-	-
	354,516	345,383
Tax Assessor		
Personal services & employee benefits	315,038	291,224
Purchased/contracted services	137,132	88,081
Supplies	40,344	34,235
Capital outlay	-	-
Other costs	-	-
	492,514	413,540

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2012 and 2011
(Continued)

	2012	2011
General building & plant maintenance		
Personal services & employee benefits	80,119	64,964
Purchased/contracted services	131,302	157,307
Supplies	18,499	10,056
Capital outlay	-	-
Other costs	1,348	2,117
	231,268	234,444
	2,856,291	3,148,698
Judical		
Clerk, Superior Court		
Personal services & employee benefits	323,674	313,691
Purchased/contracted services	89,001	110,749
Supplies	26,872	21,523
Capital outlay	-	-
Other costs	-	-
	439,547	445,963
Magistrate Court		
Personal services & employee benefits	369,276	352,150
Purchased/contracted services	99,126	110,016
Supplies	36,228	43,363
Capital outlay	13,803	-
Other costs	-	-
	518,433	505,529
Probate Court		
Personal services & employee benefits	200,563	208,591
Purchased/contracted services	24,808	16,677
Supplies	-	-
Capital outlay		-
Other costs	-	-
	225,371	225,268
Juvenille Court		
Purchased/contracted services	35,304	46,060
Supplies	35,304	46,060
Court Services		
Purchased/contracted services	(32,050)	0
	(32,050)	-
District Attorney		
Purchased/contracted services	72,734	65,447
Supplies	-	-
Capital outlay	-	-
Other costs	-	-
	72,734	65,447

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2012 and 2011
(Continued)

	2012	2011
Indigent care & defense		
Personal services & employee benefits	39,470	33,746
Purchased/contracted services	202,446	250,880
	241,916	284,626
	1,501,254	1,572,873
Public Safety		
Sheriff's Department		
Personal services & employee benefits	2,695,701	2,621,480
Purchased/contracted services	137,814	140,586
Supplies	409,858	444,808
Capital outlay	78,868	-
Other costs	-	-
	3,322,241	3,206,874
Criminal Justice Center		
Personal services & employee benefits	1,237,611	1,264,762
Purchased/contracted services	467,135	655,765
Supplies	237,091	245,946
Capital outlay	55,750	-
Other costs	-	-
	1,997,587	2,166,473
Fire & Emergency Management		
Personal services & employee benefits	1,820,082	1,671,011
Purchased/contracted services	53,133	44,507
Supplies	124,926	157,525
Capital outlay	25,784	-
Other costs	-	-
	2,023,925	1,873,043
Emergency Medical Services		
Personal services & employee benefits	1,744,882	1,659,681
Purchased/contracted services	146,158	129,953
Supplies	55,561	57,429
Capital outlay	-	-
Other costs	-	-
	1,946,601	1,847,063
Coroner		
Personal services & employee benefits	5,678	5,707
Purchased/contracted services	12,068	13,507
Supplies	2,747	5,159
Capital outlay	-	-
Other costs	-	-
	20,493	24,373

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2012 and 2011
(Continued)

	2012	2011
Animal Control		
Personal services & employee benefits	140,562	127,463
Purchased/contracted services	19,990	24,970
Supplies	43,146	48,741
Capital outlay	20,397	-
Other costs	-	-
	224,095	201,174
	9,534,942	9,319,000
Public Works		
Highway & Streets		
Personal services & employee benefits	1,198,766	1,202,159
Purchased/contracted services	168,030	148,460
Supplies	365,494	423,063
Capital outlay	56,940	293,592
Other costs	-	-
	1,789,230	2,067,274
Utility Billing Department		
Personal services & employee benefits	107,798	105,325
Purchased/contracted services	2,171,150	2,117,977
Supplies	-	-
Capital outlay	-	-
Other costs	-	-
	2,278,948	2,223,302
	4,068,178	4,290,576
Health & Welfare		
Health Department		
Personal services & employee benefits	-	-
Purchased/contracted services	19,359	1,156
Supplies	8,650	25,295
Capital outlay	-	241
Other costs	284,495	284,495
	312,504	311,187

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2012 and 2011
(Continued)

	2012	2011
Mental Health		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	-	-
Capital outlay	-	-
Other costs	12,250	112,250
	12,250	112,250
DFACS		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	160	890
Capital outlay	-	-
Other costs	21,000	21,000
	21,160	21,890
	345,914	445,327
Culture & Recreation		
Recreation		
Personal services & employee benefits	168,365	228,170
Purchased/contracted services	110,755	119,721
Supplies	54,807	95,501
Capital outlay	25,193	-
Other costs	-	-
	359,120	443,392
Library		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	2,349	6,380
Capital outlay	-	-
Other costs	375,457	368,634
	377,806	375,014
	736,925	818,406
Housing & Development		
Forestry Commission		
Personal services & employee benefits	-	-
Purchased/contracted services	-	-
Supplies	-	-
Capital outlay	-	-
Other costs	12,890	12,890
	12,890	12,890
Building Inspector		
Personal services & employee benefits	233,132	240,451
Purchased/contracted services	8,911	6,914
Supplies	17,808	19,572
Capital outlay	-	-
Other costs	-	-
	259,851	266,937

General Fund
Schedule of Expenditures
For the Years Ended June 30, 2012 and 2011
(Continued)

	2012	2011
Planning & Engineering		
Personal services & employee benefits	323,646	280,515
Purchased/contracted services	55,465	108,933
Supplies	23,502	22,859
Capital outlay	-	-
Other costs	-	-
	402,613	412,307
County Extension Services		
Personal services & employee benefits	66,915	61,900
Purchased/contracted services	6,992	3,856
Supplies	6,205	10,187
Capital outlay	-	-
Other costs	-	-
	80,112	75,943
	755,466	768,077
Debt Service	354,483	396,499
Total Expenditures	$ 20,153,455	$ 20,659,456

Lee County, Georgia
Schedule of Hotel/Motel Taxes Expended
For the Year Ended June 30, 2012

Total Expenditures		
Tourism, promotions, conventions, trade shows and facility support	$	3,500
Taxes Collected		
Tax collections @3%	$	1,386
Tax collections greater than 3%		1,848
	$	3,234
Percentage of current year taxes expended		108%

Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended June 30, 2012

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	690,778	-	690,778	115%
(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	299,720	-	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	256,668	-	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	662,222	-	662,222	95%
(N) Road, street & bridge construction- Smithville	200,000	134,334	-	134,334	67%
(O) Water & sewer treatment facilities- Smithville	300,000	355,749	-	355,749	119%
(P) Historic facilities renovation- Smithville	200,000	304,661	-	304,661	152%
(Q) Public safety facilities- Smithville	50,000	20,093	-	20,093	40%
	$ 18,000,000	$ 16,420,716	$ -	$ 16,420,716	
Sales Tax Referendum (Phase V)					
(1) Retirement of previously incurred debt	$ 3,195,973	$ 5,102,794	$ 2,569,036	$ 7,671,830	240%
(2) Sheriff's department vehicles	624,500	624,500	-	624,500	100%
(3) Five (5) replacement ambulances for Emergency Medical Services	625,000	487,829	-	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	62,275	65,577	127,852	14%
(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	2,728,907	388,130	3,117,037	48%
(9) Renovation of old high school	1,500,000	1,497,396	-	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	266,695	64,125	330,820	33%
(15) Palmyra fire/ems station	650,000	-	-	-	0%
(16) Renovation and expansion of public works building	270,000	56,258	33,022	89,280	33%
(17) Construction of a new headquarters library	2,000,000	724,656	2,997,370	3,722,026	186%
(18) Fire tower, burn building and driver training course	500,000	40,238	-	40,238	8%
	$ 34,650,000	$ 20,762,292	$ 6,117,260	$ 26,879,552	

Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended June 30, 2012

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage of Completion
Sales Tax Referendum (Phase Vi)					
(1) Public safety capital projects & equipment	$ 3,570,000	$ -	$ 760,885	$ 760,885	21%
(2) Courthouse- security, renovations & records	500,000	-	-	-	0%
(3) Water & sew er system projects	2,250,000	-	-	-	0%
(4) Roads, streets & bridges	10,738,760	-	144,921	144,921	1%
(5) Library projects including Smithville	1,665,000	-	-	-	0%
(6) Stormw ater projects	500,000	-	-	-	0%
(7) Public w orks- renovations & equipment	250,000	-	56,500	56,500	23%
(8) Public facilities- renovations & GIS	250,000	-	23,378	23,378	9%
(9) Recreation projects	1,750,000	-	-	-	0%
(10) City of Leesburg	2,650,000	-	-	-	0%
(11) City of Smithville	779,370	-	-	-	0%
Repayment of issuance of debt	3,350,000		129,649	129,649	4%
	$ 28,253,130	$ -	$ 1,115,333	$ 1,115,333	

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, 2012, which collectively comprise the Lee County, Georgia's basic financial statements and have issued our report thereon dated October 29, 2012. 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 29, 2012.

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 29, 2012