LEE COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

LEE COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of Lee County, Georgia
Leesburg, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Lee County, Georgia** (the "County"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lee County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lee County, Georgia as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the American Rescue Plan Act ("ARPA') Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Lee County Health Department and the Lee County Development Authority which represent 18%, 46.26%, and 24%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lee County Health Department and the Lee County Development Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States *("Government Auditing Standards")*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle. As described in Note 14 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the County's Net Pension Liability and Related Ratios, and the Schedule of County Contributions, as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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 combining and individual nonmajor fund financial statements and schedules, the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds, as required by the O.C.G.A. §48-8-260 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information also includes the Statement of Cash Flows for the Discretely Presented Component Unit - Utility Authority, and the Statement of Revenues, Expenses and Changes in Net Position for the Discretely Presented Component Unit - Utility Authority. These schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, based on our audit, the combining and individual nonmajor fund financial statements and schedules, the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds, the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds, Statement of Cash Flows for the Discretely Presented Component Unit - Utility Authority, and the Statement of Revenues, Expenditures and Changes in Net Position for the Discretely Presented Component Unit - Utility Authority are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated December 23, 2025 on our consideration of Lee County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lee County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 23, 2025

BASIC FINANCIAL STATEMENTS

LEE COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Utility Authority
ASSETS						
Cash and cash equivalents	$ 10,995,020	$ 15,430	$ 11,010,450	$ 1,079,176	$ 764,131	$ 2,505,427
Investments	48,183,738	-	48,183,738	-	553,761	-
Accounts receivable, net	647,410	18,256	665,666	-	352,990	207,787
Property tax receivable	182,998	-	182,998	-	-	-
Prepaid expenses	682,268	-	682,268	-	-	-
Interfund balances	9	(9)	-	-	-	-
Due from component unit	6,066	-	6,066	-	-	-
Due from other governments	1,286,067	-	1,286,067	3,939	-	-
Restricted assets:						
Cash and cash equivalents	-	-	-	-	-	3,401,226
OPEB asset - SEAD	-	-	-	191,922	-	-
Capital assets:						
Right-to-use lease, net of accumulated amortization	1,462,373	-	1,462,373	-	-	40,718
Nondepreciable	4,487,195	163,000	4,650,195	-	3,020,079	638,467
Depreciable	73,718,975	-	73,718,975	24,266	352,668	22,495,335
Total assets	141,652,119	196,677	141,848,796	1,299,303	5,043,629	29,288,960
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	-	-	-	-	-	67,612
Pension items	1,658,938	-	1,658,938	202,181	-	90,665
OPEB items	-	-	-	64,710	-	-
Total deferred outflows of resources	1,658,938	-	1,658,938	266,891	-	158,277
LIABILITIES						
Accounts payable	1,116,331	21,026	1,137,357	741	-	46,817
Due to other governments	58,926	-	58,926	34,423	-	-
Accrued liabilities	342,513	1,797	344,310	-	-	315,641
Due to primary government	-	-	-	-	300,000	6,066
Unearned revenue	1,783,382	-	1,783,382	-	-	87,060
Customer deposits	-	-	-	-	-	609,077
Claims payable	336,811	-	336,811	-	-	-
Notes payable, due within one year	-	-	-	-	-	95,135
Notes payable, due in more than one year	-	-	-	-	-	1,316,451
Lease liabilities, due within one year	302,099	-	302,099	-	-	19,521
Lease liabilities, due in more than one year	1,442,670	-	1,442,670	-	-	22,291
Bonds payable, due within one year	-	-	-	-	-	1,306,723
Bonds payable, due in more than one year	-	-	-	-	-	19,244,139
Compensated absences, due within one year	743,574	2,856	746,430	17,952	-	37,432
Compensated absences, due in more than one year	743,573	5,305	748,878	71,808	-	69,516
Net pension liability, due in more than one year	5,413,199	-	5,413,199	853,733	-	295,845
Post-closure care, due within one year	-	36,897	36,897	-	-	-
Post-closure care, due in more than one year	-	31,523	31,523	-	-	-
Total liabilities	12,283,078	99,404	12,382,482	978,657	300,000	23,471,714
DEFERRED INFLOWS OF RESOURCES						
Pension items	48,815	-	48,815	118,875	-	2,668
OPEB items	-	-	-	71,189	-	-
Total deferred inflows of resources	48,815	-	48,815	190,064	-	2,668
NET POSITION						
Net investment in capital assets	77,923,774	163,000	78,086,774	24,266	3,372,747	1,237,872
Restricted for:						
Capital projects	27,707,378	-	27,707,378	-	-	-
Other uses	1,405,846	-	1,405,846	194,511	1,370,882	-
Unrestricted (deficit)	23,942,166	(65,727)	23,876,439	178,696	-	4,734,983
Total net position	$ 130,979,164	$ 97,273	$ 131,076,437	$ 397,473	$ 4,743,629	$ 5,972,855

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

LEE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 16,377,325	$ 6,845,256	$ 5,628,160	$ 19,141
Court system	2,044,242	17,260	-	879
Public safety	16,975,131	702,905	40,844	9,097
Public works	6,147,693	588,751	1,568,703	814,457
Health and welfare	441,853	-	-	-
Culture and recreation	1,819,508	-	-	-
Housing and development	1,388,356	-	-	-
Interest on long-term debt	62,676	-	-	-
Total governmental activities	45,256,784	8,154,172	7,237,707	843,574
Business-type activities:				
Solid waste	322,643	193,232	-	-
Total business-type activities	322,643	193,232	-	-
Total primary government	$ 45,579,427	$ 8,347,404	$ 7,237,707	$ 843,574
Component units				
Health Department	$ 1,094,644	$ 457,049	$ 890,285	$ -
Development Authority	264,993	-	257,742	400,000
Utilities Authority	4,825,476	5,331,682	-	715,500
Total component units	$ 6,185,113	$ 5,788,731	$ 1,148,027	$ 1,115,500
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Transfers				
Total general revenues, and transfers				
Change in net position				
Net position, beginning of year, as previously reported				
Change in financial reporting entity implementation of GASB 101				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position					
			Component Units		
Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Utility Authority
$ (3,884,768)	$ -	$ (3,884,768)	$ -	$ -	$ -
(2,026,103)	-	(2,026,103)	-	-	-
(16,222,285)	-	(16,222,285)	-	-	-
(3,175,782)	-	(3,175,782)	-	-	-
(441,853)	-	(441,853)	-	-	-
(1,819,508)	-	(1,819,508)	-	-	-
(1,388,356)	-	(1,388,356)	-	-	-
(62,676)	-	(62,676)	-	-	-
(29,021,331)	-	(29,021,331)	-	-	-
-	(129,411)	(129,411)	-	-	-
-	(129,411)	(129,411)	-	-	-
$ (29,021,331)	$ (129,411)	$ (29,150,742)	$ -	$ -	$ -
-	-	-	252,690	-	-
-	-	-	-	392,749	-
-	-	-	-	-	1,221,706
$ -	$ -	$ -	$ 252,690	$ 392,749	$ 1,221,706
$ 17,824,598	$ -	$ 17,824,598	$ -	$ -	$ -
14,568,451	-	14,568,451	-	-	-
3,119,915	-	3,119,915	-	-	-
1,231,285	489	1,231,774	-	5,767	225,914
123,906	-	123,906	-	4,011	-
(157,446)	157,446	-	-	-	-
36,710,709	157,935	36,868,644	-	9,778	225,914
7,689,378	28,524	7,717,902	252,690	402,527	1,447,620
123,441,253	70,862	123,512,115	144,783	4,341,102	4,536,131
(151,467)	(2,113)	(153,580)	-	-	(10,896)
123,289,786	68,749	123,358,535	144,783	4,341,102	4,525,235
$ 130,979,164	$ 97,273	$ 131,076,437	$ 397,473	$ 4,743,629	$ 5,972,855

LEE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	1% SPLOST VII Fund	TSPLOST Fund	*(Previously Non-Major)* TSPLOST II Capital Projects Fund
ASSETS				
Cash and cash equivalents	$ 4,013,703	$ 8,705	$ 247	$ 2,425,170
Investments	23,469,280	13,203,035	6,448,115	5,053,448
Accounts receivable, net	548,002	-	-	-
Property tax receivable	182,998	-	-	-
Due from component unit	6,066	-	-	-
Due from other funds	9	-	-	-
Due from other governments	425,795	480,638	90	376,507
Prepaid items	682,268	-	-	-
Total assets	$ 29,328,121	$ 13,692,378	$ 6,448,452	$ 7,855,125
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 645,662	$ 209,822	$ 19,860	$ -
Accrued liabilities	326,413	-	-	-
Unearned revenue	25,000	-	-	-
Due to other governments	-	58,926	-	-
Total liabilities	997,075	268,748	19,860	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	167,086	-	-	-
Total deferred inflows of resources	167,086	-	-	-
FUND BALANCES				
Prepaid items	682,268	-	-	-
Restricted for:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Capital projects	-	13,423,630	6,428,592	7,855,125
Unassigned	27,481,692	-	-	-
Total fund balances	28,163,960	13,423,630	6,428,592	7,855,125
Total liabilities, deferred inflows of resources and fund balances	$ 29,328,121	$ 13,692,378	$ 6,448,452	$ 7,855,125

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

ARPA Fund	Nonmajor Governmental Funds	Total
$ 2,340,469	$ 1,343,259	$ 10,131,553
-	9,860	48,183,738
-	99,408	647,410
-	-	182,998
-	-	6,066
-	-	9
-	3,037	1,286,067
-	-	682,268
$ 2,340,469	$ 1,455,564	$ 61,120,109
$ 162,055	$ 33,587	$ 1,070,986
-	16,100	342,513
1,758,382	-	1,783,382
-	-	58,926
1,920,437	49,687	3,255,807
-	-	167,086
-	-	167,086
-	-	682,268
-	63,041	63,041
-	526,899	526,899
-	759,377	759,377
420,032	56,529	476,561
-	31	27,707,378
-	-	27,481,692
420,032	1,405,877	57,697,216
$ 2,340,469	$ 1,455,564	$ 61,120,109

LEE COUNTY, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances - governmental funds	$	57,697,216
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		79,668,543
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		167,086
Deferred outflows of resources related to pensions are not available to pay for period expenditures and, therefore, are not reported in the governmental funds.		1,658,938
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Lease liabilities		(1,744,769)
Compensated absences		(1,487,147)
Internal Service Funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities.		481,311
The net pension liability is not due and payable in the current period and, therefore, is not reported in governmental funds.		(5,413,199)
Deferred inflows of resources related to pensions are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(48,815)
Net position of governmental activities	$	130,979,164

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

LEE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	1% SPLOST VII Fund	TSPLOST Fund	*(Previously Non-Major)* TSPLOST II Capital Projects Fund
Revenues				
Property taxes	$ 17,889,771	$ -	$ -	$ -
Sales taxes	4,725,673	5,559,322	-	4,331,681
Other taxes	3,088,773	-	-	-
Licenses and permits	364,560	-	-	-
Charges for services	5,301,492	-	-	-
Fines and forfeitures	771,007	-	-	-
Investment income	1,110,762	501,594	312,868	120,518
Intergovernmental	65,367	-	-	1,568,703
Other revenues	662,215	-	-	-
Total revenues	33,979,620	6,060,916	312,868	6,020,902
Expenditures				
Current:				
General government	9,457,503	-	-	-
Judicial	1,960,519	-	-	-
Public safety	14,409,169	-	-	-
Public works	2,469,861	-	-	-
Health and welfare	433,903	-	-	-
Culture and recreation	1,460,283	-	-	-
Economic development	1,357,214	-	-	-
Intergovernmental	-	681,499	-	-
Capital outlay	-	1,044,064	1,525,609	-
Debt service:				
Principal	-	-	627,375	-
Interest	-	-	62,676	-
Total expenditures	31,548,452	1,725,563	2,215,660	-
Excess (deficiency) of revenues over (under) expenditures	2,431,168	4,335,353	(1,902,792)	6,020,902
Other financing sources (uses)				
Transfers in	509,970	-	-	-
Transfers out	(586,989)	-	-	-
Leases issued	-	-	1,267,289	-
Sale of general capital assets	123,906	-	-	-
Total other financing sources (uses)	46,887	-	1,267,289	-
Net change in fund balances	2,478,055	4,335,353	(635,503)	6,020,902
Fund balances, beginning of year, as previously presented	25,685,905	9,088,277	7,064,095	-
Change in financial reporting entity (nonmajor to major fund)	-	-	-	1,834,223
Fund balances, beginning of year, as restated	25,685,905	9,088,277	7,064,095	1,834,223
Fund balances, end of year	$ 28,163,960	$ 13,423,630	$ 6,428,592	$ 7,855,125

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

ARPA Fund	Nonmajor Governmental Funds	Total
$ -	$ -	$ 17,889,771
-	-	14,616,676
-	31,142	3,119,915
-	-	364,560
-	734,670	6,036,162
-	56,142	827,149
67,133	29,117	2,141,992
5,495,660	40,844	7,170,574
-	97,000	759,215
5,562,793	988,915	52,926,014
4,383,402	9,411	13,850,316
-	14,570	1,975,089
-	1,217,515	15,626,684
-	-	2,469,861
-	-	433,903
-	-	1,460,283
-	31,142	1,388,356
-	-	681,499
683,041	-	3,252,714
-	-	627,375
-	-	62,676
5,066,443	1,272,638	41,828,756
496,350	(283,723)	11,097,258
-	429,543	939,513
(479,970)	(30,000)	(1,096,959)
-	-	1,267,289
-	-	123,906
(479,970)	399,543	1,233,749
16,380	115,820	12,331,007
403,652	3,124,280	45,366,209
-	(1,834,223)	-
403,652	1,290,057	45,366,209
$ 420,032	$ 1,405,877	$ 57,697,216

LEE COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Net change in fund balances - total governmental funds	$	12,331,007
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the difference between depreciation and amortization expense and capital outlay in the current period.		
Total capital outlay		3,248,870
Total amortization expense		(401,424)
Total depreciation expense		(5,148,888)
The issuance of long-term debt provides current financial resources to governmental funds, and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. The items that make up these differences in the treatment of long-term debt and related items are as follows:		
Principal repayments - leases		627,375
Issuance of leases		(1,267,289)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Unearned revenues increased by this amount during the year.		53,688
The Internal Service Fund is used by management to charge the cost of workers' compensation insurance and health insurance to individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.		(693,708)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		(245,891)
Change in net pension liability and related deferred inflows/outflows		(814,362)
Change in net position of governmental activities	$	7,689,378

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

LEE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Property taxes	$ 17,524,625	$ 17,933,658	$ 17,889,771	$ (43,887)
Sales taxes	4,531,869	4,681,869	4,725,673	43,804
Other taxes	2,981,232	3,076,353	3,088,773	12,420
Licenses and permits	327,875	365,184	364,560	(624)
Intergovernmental	8,489	30,367	65,367	35,000
Charges for services	5,119,345	5,262,417	5,301,492	39,075
Fines and forfeitures	727,329	736,387	771,007	34,620
Interest income	1,039,314	1,099,301	1,110,762	11,461
Other revenues	622,310	639,962	662,215	22,253
Total revenues	32,882,388	33,825,498	33,979,620	154,122
Expenditures				
Current:				
General government:				
County commissioners	3,476,260	3,416,718	2,419,563	997,155
County manager	693,221	793,621	753,064	40,557
Elections	409,005	436,571	413,551	23,020
Information technology	501,226	509,526	508,130	1,396
Tax commissioner	492,823	514,236	516,975	(2,739)
Tax assessor	469,280	499,148	476,840	22,308
Building and grounds	980,436	924,583	847,762	76,821
Utility billing	3,464,541	3,527,805	3,521,618	6,187
Total general government	10,486,792	10,622,208	9,457,503	1,164,705
Judicial:				
Superior court	635,188	650,577	615,735	34,842
District attorney	172,666	172,666	172,662	4
Magistrate court	455,858	472,147	466,619	5,528
Probate court	360,674	353,234	340,811	12,423
Juvenile court	104,137	104,137	95,484	8,653
Public defender	285,510	292,878	269,208	23,670
Total judicial	2,014,033	2,045,639	1,960,519	85,120

(Continued)

LEE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures (Continued)				
Current (Continued):				
Public safety:				
Public safety	$ 5,767,691	$ 6,237,599	$ 6,212,295	$ 25,304
Sheriff's department	4,805,905	5,006,732	4,901,954	104,778
Jail	2,801,000	2,875,000	2,853,744	21,256
Coroner	53,430	60,405	52,183	8,222
Animal control	379,033	412,867	388,993	23,874
Total public safety	13,807,059	14,592,603	14,409,169	183,434
Public works:				
Public works	2,482,263	2,533,773	2,469,861	63,912
Health and welfare:				
Department of Family and Children Services	16,000	16,000	16,000	-
Extension service	106,884	106,884	88,427	18,457
Health services	326,260	330,895	329,476	1,419
Total health and welfare	449,144	453,779	433,903	19,876
Culture and recreation:				
Recreation	691,873	749,548	736,608	12,940
Library	723,664	723,664	723,675	(11)
Total culture and recreation	1,415,537	1,473,212	1,460,283	12,929
Housing and development:				
Code enforcement	275,041	216,441	195,220	21,221
Economic development	234,869	242,857	242,964	(107)
Planning and engineering	549,146	534,196	444,187	90,009
Building inspections	496,943	507,818	474,843	32,975
Total housing and development	1,555,999	1,501,312	1,357,214	144,098
Total expenditures	32,210,827	33,222,526	31,548,452	1,674,074
Excess of revenues over expenditures	671,561	602,972	2,431,168	1,828,196

(Continued)

LEE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Other financing sources (uses)				
Sale of capital assets	$ 60,000	$ 123,906	$ 123,906	$ -
Transfers in	30,000	30,000	509,970	479,970
Transfers out	(761,561)	(756,878)	(586,989)	169,889
Total other financing sources (uses) net.	(671,561)	(602,972)	46,887	649,859
Net change in fund balances	-	-	2,478,055	2,478,055
Fund balance, beginning of year	25,685,905	25,685,905	25,685,905	-
Fund balance, end of year	$ 25,685,905	$ 25,685,905	$ 28,163,960	$ 2,478,055

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

LEE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ARPA FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental	$ 5,495,660	$ 5,495,660	$ 5,495,660	$ -
Interest income	67,133	67,133	67,133	-
Total revenues	5,562,793	5,562,793	5,562,793	-
Expenditures				
Current:				
General government	4,383,402	4,383,402	4,383,402	-
Capital outlay	-	-	683,041	(683,041)
Total expenditures	4,383,402	4,383,402	5,066,443	(683,041)
Excess of revenues over expenditures	1,179,391	1,179,391	496,350	(683,041)
Other financing uses				
Transfers out	(479,970)	(479,970)	(479,970)	-
Total other financing uses	(479,970)	(479,970)	(479,970)	-
Net change in fund balances	699,421	699,421	16,380	(683,041)
Fund balance, beginning of year	403,652	403,652	403,652	-
Fund balance, end of year	$ 1,103,073	$ 1,103,073	$ 420,032	$ (683,041)

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

LEE COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Parks and Recreation Authority	Solid Waste Fund	Total	Internal Service Fund
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ -	$ 15,430	$ 15,430	$ 863,467
Accounts receivable, net of allowances	18,091	165	18,256	-
Total current assets	- 18,091	15,595	33,686	863,467
NON-CURRENT ASSETS				
Capital assets:				
Nondepreciable	-	163,000	163,000	-
Total non-current assets	-	163,000	163,000	-
Total assets	18,091	178,595	196,686	863,467
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	6,771 -	21,026	21,026	45,345
Accrued expenses	-	1,797	1,797	-
Due to other funds	-	9	9	-
Claims payable	-	-	-	336,811
Current portion - compensated absences	-	2,856	2,856	-
Current portion - accrued landfill post-closure care costs	-	36,897	36,897	-
Total current liabilities	6,771 -	62,585	62,585	382,156
LONG-TERM LIABILITIES				
Compensated absences, net of current portion	-	5,305	5,305	-
Accrued landfill post-closure care costs	-	31,523	31,523	-
Total long-term liabilities	-	36,828	36,828	-
Total liabilities	-	99,413	99,413	382,156
NET POSITION				
Net investment in capital assets	-	163,000	163,000	-
Unrestricted (deficit)	18,091	(83,818)	(65,727)	481,311
Total net position	$ 18,091	$ 79,182	$ 97,273	$ 481,311

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

LEE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Parks and Recreation Authority	Solid Waste Fund	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	$ -	$ 193,232	$ 193,232	$ 3,867,923
Miscellaneous	-	-	-	1,366,629
Total operating revenues	-	193,232	193,232	5,234,552
OPERATING EXPENSES				
Salaries and benefits	-	102,980	102,980	-
Cost of sales and services	-	177,892	177,892	-
Claims	-	-	-	4,658,794
Administration	-	-	-	1,291,589
Closure/post-closure care costs	-	41,771	41,771	-
Total operating expenses	-	322,643	322,643	5,950,383
Operating loss	-	(129,411)	(129,411)	(715,831)
NON-OPERATING INCOME				
Investment income	-	489	489	22,123
Total non-operating income	-	489	489	22,123
Loss before transfers	-	(128,922)	(128,922)	(693,708)
TRANSFERS				
Transfers in	-	157,446	157,446	-
Total transfers	-	157,446	157,446	-
Change in net position	-	28,524	28,524	(693,708)
NET POSITION, beginning of year, as previously reported	18,091	52,771	70,862	1,175,019
Adjustment- change in accounting principle	-	(2,113)	(2,113)	-
NET POSITION, beginning of year, as restated	18,091	50,658	68,749	1,175,019
NET POSITION, end of year	$ 18,091	$ 79,182	$ 97,273	$ 481,311

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

LEE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Parks and Recreation Authority	Solid Waste Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ -	$ 193,231	$ 193,231	$ 5,267,072
Payments to suppliers	-	(247,521)	(247,521)	-
Payments for insurance claims	-	-	-	(5,850,686)
Payments to employees	-	(101,312)	(101,312)	-
Net cash used in operating activities	-	(155,602)	(155,602)	(583,614)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	157,446	157,446	-
Net cash provided by non-capital financing activities	-	157,446	157,446	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	489	489	22,123
Net cash provided by investing activities	-	489	489	22,123
Net increase (decrease) in cash and cash equivalents	-	2,333	2,333	(561,491)
Cash and cash equivalents				
Beginning of year	-	13,097	13,097	1,424,958
End of year	$ -	$ 15,430	$ 15,430	$ 863,467

(Continued)

LEE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Parks and Recreation Authority	Solid Waste Fund	Total	Internal Service Fund
Reconciliation of operating loss to net cash used in operating activities				
Operating loss	$ -	$ (129,411)	$ (129,411)	$ (715,831)
Adjustments to reconcile operating loss to net cash used in operating activities				
Due from other funds	-	-	-	32,520
Increase (decrease) in liabilities:				
Accounts payable	-	7,292	7,292	45,345
Accrued expenses	-	285	285	-
Due to other funds	-	(1)	(1)	-
Claims payable	-	-	-	54,352
Increase in compensated absences	-	1,383	1,383	-
Accrued post-closure care	-	(35,150)	(35,150)	-
Net cash used in operating activities	$ -	$ (155,602)	$ (155,602)	$ (583,614)

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

LEE COUNTY, GEORGIA

STATEMENT FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 1,308,489
Property taxes receivable	298,537
Total assets	1,607,026
LIABILITIES	
Due to others	946,885
Uncollected taxes	298,537
Total liabilities	1,245,422
NET POSITION	
Restricted for individuals, organizations and other governments	$ 361,604

The accompanying notes are an integral part of these financial statements

LEE COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Custodial Funds
ADDITIONS	
Fines and forfeitures	$ 2,212,144
Taxes collected	29,992,588
Total additions	32,204,732
DEDUCTIONS	
Fines and fees disbursed	2,197,345
Taxes disbursed	30,081,806
Total deductions	32,279,151
Change in net position	(74,419)
Net position, beginning of year	436,023
Net posiiton, end of year	$ 361,604

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lee County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

Lee County was incorporated in 1826 under the laws of the State of Georgia. The County operates under a five-member Board of Commissioners, who each serve staggered terms of four years. The Board elects its own chairman.

As required by GAAP, the financial statements of the reporting entity include those of Lee County, Georgia (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

Blended Component Unit

The Lee County Parks and Recreation Authority (the "Parks and Recreation Authority") is governed by a five-member board appointed by the County Commissioners. The Parks and Recreation Authority has a June 30th year-end. The Parks and Recreation Authority is responsible for the operations of the former Grand Island Golf Complex. Because the County is currently responsible for the repayment of the Parks and Recreation Authority's outstanding note payable, the Parks and Recreation Authority is considered a blended component unit and reported as the Parks and Recreation Authority Enterprise Fund. Separate financial statements are not prepared for the Parks and Recreation Authority.

Discretely Presented Component Units

The Lee County Health Department (the "Health Department") is governed by a seven-member board consisting of four members appointed by the County Commissioners. The Health Department is responsible for providing healthcare services for the citizens of Lee County. The County has the authority to modify and approve the Health Department's budget. The Health Department has a June 30th year-end. The Health Department's financial statements can be obtained by writing to:

Lee County Health Department
P.O. Box 303
Albany, Georgia 31763

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The Lee County Utility Authority (the "Utility Authority") is governed by a seven-member board with all members appointed by the County Commissioners. The Utility Authority is responsible for the day-to-day operations of the County's water and wastewater systems, in addition to billing and processing payments for the County's solid waste bills. The Utility Authority has a June 30th year-end. Separate financial statements are not prepared for the Utility Authority.

The Lee County Development Authority (the "Development Authority") is governed by a seven-member board appointed by the County Commissioners. The Authority is responsible for promoting trade, commerce, industry, and employment in Lee County. The Development Authority has a June 30th year-end. The Development Authority does not provide services almost entirely to the benefit of the County and is considered a discretely presented component unit. Separate financial statements can be obtained at:

Development Authority's Administrative Office
106 Walnut Ave., N
Leesburg, Georgia 31763

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) 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*.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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, claims and judgments and leases, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, intergovernmental income, licenses, and investment income 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. 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 ***1% Special Purpose Local Option Sales Tax ("SPLOST") VII Fund*** is a Capital Projects Fund used to account for the receipt and expenditure of the SPLOST which was approved by the voters for a six-year period effective October 1, 2019 through September 30, 2025.

The ***Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund*** is a Capital Projects Fund that accounts for specific revenues provided from TSPLOST for the purpose of funding the building of parks, schools, roads, and other public facilities.

The ***Transportation Special Purpose Local Option Sales Tax ("TSPLOST") II Capital Projects Fund*** is a Capital Projects Fund that accounts for specific revenues provided from TSPLOST for the purpose of funding the building of parks, schools, roads, and other public facilities.

The ***American Rescue Plan Act ("ARPA") Fund*** accounts for the financial resources provided and subsequently expended from the ARPA grant received from the federal government.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The County reports the following major proprietary funds:

The ***Parks and Recreation Authority Fund*** is used to account for the activity of the former Grand Island Golf Club.

The ***Solid Waste Fund*** is used to account for the operation, maintenance, and development of the County's inert landfill.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

The ***Capital Projects Funds*** account for specific revenues provided for acquisition, construction, or renovation of major capital facilities.

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 ***Custodial Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem, and property taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's solid waste function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. 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 provided.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Operating expenses for the Enterprise Funds and Internal Service Funds include 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.

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

The local government investment pool, ("Georgia Fund 1"), created by the Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the Securities and Exchange Commission ("SEC") as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the County's investment in the Georgia Fund 1 is reported at fair value.

D. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide Statement of Net Position.

Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide Statement of Net Position as "internal balances." These receivables and payables are classified as "due from other funds" and "due to other funds."

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets

Capital assets, which include property, intangible assets, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right-to-use lease assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County and Utility Authority as assets with an initial, individual cost which exceeds certain capitalization thresholds and 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 and the Utility Authority chose to include all such items regardless of their acquisition date or amount. Donated capital assets are recorded at the acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend useful lives are expensed as incurred. Major outlays for capital improvements are capitalized as projects are constructed.

Capital assets are depreciated and amortized using the straight-line method over the following useful lives:

Asset Category	Years
Primary government	
Buildings	25 – 50
Infrastructure	15 – 50
Improvements other than buildings	10 – 20
Machinery and equipment	5 – 15
Right-to-use lease assets	5 – 15
Utilities Authority	
Infrastructure	15 – 50
Machinery and equipment	5 – 15

G. Leases

Lessee. The County and the Utility Authority are a lessee for noncancellable leases of equipment. The County and the Utility Authority recognize a lease liability and an intangible right-to-use lease asset in its financial statements. The County and the Utility Authority recognizes all noncancellable lease liabilities.

At the commencement of a lease, the County and the Utility Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Leases (Continued)

Lessee (Continued). Key estimates and judgments related to leases include how the County and the Utility Authority determine: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments:

- The County and the Utility Authority use the implicit interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided or cannot be imputed, the County and the Utility Authority generally use its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County and the Utility Authority are reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with current and non-current liabilities on the Statement of Net Position.

H. Compensated Absences

It is the County and the Utility Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All compensated absences are 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 or retirements. Sick pay is accumulated and in accordance with GASB Statement No. 101 and and estimate for the time to be used during employment has been accrued. A liability for the estimated sick leave earned has been accrued in the government-wide financial statements. 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 or retirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations

In the government-wide financial statements and proprietary 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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

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 and premiums on the issue 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.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Governmental Funds Balance Sheet and Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item, other than those relating to the County's pension plan, which arise only under the modified accrual basis of accounting that qualify for reporting in this category. The governmental funds report *unavailable revenues* from property taxes, and this amount is deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The Utility Authority has one item, other than those relating to the pension plan, which is reported in the government-wide Statement of Net Position. The deferred loss on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price and is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

The County also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments as well as assumption changes are also deferred and amortized against pension expense over a five-year period.

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets, and deferred inflows of resources and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – 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 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 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. Only the County Commission may modify or rescind the commitment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Fund Balance (Continued) –

- ***Assigned*** – 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. Intent can be expressed by the County Commission or by any official or body to which the County Commission delegates the authority. The County Commission has not designated this authority.

- ***Unassigned*** – 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 balance are available for use of 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

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County and the Utility Authority apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources, and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association County Commissioners of Georgia Lee County Defined Benefit Plan (the "Plan"), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. BUDGETS AND BUDGETARY ACCOUNTING

Budget Process

The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the County's financial position. An annual operating budget is prepared for the General Fund and Special Revenue Funds.

The County follows the following procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to June 30, the County Managers submit to the Board of Commissioners a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notice of budget and tax proposals is provided in conformance with Georgia law.
3. Public hearings are conducted to obtain taxpayer comments.
4. Prior to June 30, the budget is formally adopted.
5. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.

The appropriate budgets are prepared by fund, function and department. Transfers of appropriations between departments require the approval of the County Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.

The County does not employ the use of encumbrance accounting in governmental funds and no material purchase orders, contracts, or other commitments existed at the end of the fiscal year which should have been encumbered.

NOTE 2. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Capital Projects Budget

The construction of certain major capital facilities and improvements, which are accounted for by the County in Capital Projects Funds, are subject to budgetary control on a project basis. The budgets are approved by the Board of Commissioners and are generally subject to specific provisions of voter referendums, State statutes, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2025, expenditures in the following department fund exceeded budget.

Department	Excess
General Fund:	
Tax commissioner	$ 2,739
Library	11
Economic development	107
ARPA Fund:	
Capital outlay	683,041

The over expenditures in the above funds were funded by under expenditures in other departments and future transfers and revenues.

NOTE 3. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the County and the Utility Authority to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations, and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. Interest rate risk is the risk that changes in the interest rate will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2025, the County held the following investments:

Investments	Maturities	Rating	Fair Value
Georgia Fund 1	51-day weighted average	AAAf	$ 48,183,738

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose the investment in Georgia Fund 1 within the fair value hierarchy.

Custodial Credit Risk – Deposits and Investments. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County and the Utility Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2025, the deposits of the County and its component units were properly insured and collateralized as defined by GASB pronouncements and the Official Code of the State of Georgia.

NOTE 4. RECEIVABLES

Property taxes were levied on August 25, 2024. Bills are payable on or before December 20, 2024. The lien date for unpaid taxes is April 20, 2025. After that date, an interest penalty of 18% applies. The County bills and collects its own property taxes. Property taxes levied for 2024 are recorded as receivables, net of estimated uncollectibles. The net receivables levied during the year ended June 30, 2025, and collected by August 31, 2025, are recognized as revenues in the year ended June 30, 2025.

Receivables, including the applicable allowances for uncollectible accounts at June 30, 2025, for the County's individual major and nonmajor funds in the aggregate are as follows:

	General	Nonmajor Governmental Funds	Parks and Recreation Authority	Solid Waste Fund	Total
Receivables:					
Taxes	$ 182,998	$ -	$ -	$ -	$ 182,998
Accounts	2,217,029	99,408	194,781	165	2,511,383
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Gross receivables	2,400,027	99,408	194,781	165	2,694,381
Less allowance for uncollectibles	(1,669,027)	-	(176,690)	-	(1,845,717)
Net receivables	$ 731,000	$ 99,408	$ 18,091	$ 165	$ 848,664

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 3,664,391	$ -	$ -	$ -	$ 3,664,391
Construction in progress	382,579	447,725	-	(7,500)	822,804
Total capital assets, not being depreciated	4,046,970	447,725	-	(7,500)	4,487,195
Capital assets, being depreciated:					
Buildings	23,131,302	-	-	-	23,131,302
Infrastructure	123,996,135	-	-	7,500	124,003,635
Improvements other than buildings	4,648,572	200,524	-	-	4,849,096
Right-to-use lease assets - equipment	2,196,538	1,267,289	-	-	3,463,827
Machinery and equipment	21,534,214	1,333,332	(551,700)	-	22,315,846
Total capital assets, being depreciated	175,506,761	2,801,145	(551,700)	7,500	177,763,706
Less accumulated depreciation for:					
Buildings	(12,176,282)	(507,214)	-	-	(12,683,496)
Infrastructure	(69,184,215)	(3,032,063)	-	-	(72,216,278)
Improvements other than buildings	(3,282,893)	(53,398)	-	-	(3,336,291)
Right-to-use lease assets - equipment	(1,600,030)	(401,424)	-	-	(2,001,454)
Machinery and equipment	(11,340,326)	(1,556,213)	551,700	-	(12,344,839)
Total accumulated depreciation	(97,583,746)	(5,550,312)	551,700	-	(102,582,358)
Total capital assets, being depreciated, net	77,923,015	(2,749,167)	-	7,500	75,181,348
Governmental activities capital assets, net	$ 81,969,985	$ (2,301,442)	$ -	$ -	$ 79,668,543

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 149,641
Judicial	62,087
Public safety	1,196,320
Public works	3,990,841
Culture and recreation	151,423
Total depreciation/amortization expense - governmental activities	$ 5,550,312

Business-type capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 163,000	$ -	$ -	$ -	$ 163,000
Total capital assets, not being depreciated	163,000	-	-	-	163,000
Business-type activities capital assets	$ 163,000	$ -	$ -	$ -	$ 163,000

NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Utility Authority

Capital asset activity for the Utility Authority, a discretely presented component unit, for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Utilities Authority:					
Capital assets, not being depreciated:					
Land	$ 638,467	$ -	$ -	$ -	$ 638,467
Construction in progress	5,583,650	3,250,029	-	(8,833,679)	-
Total capital assets, not being depreciated	6,222,117	3,250,029	-	(8,833,679)	638,467
Capital assets, being depreciated:					
Infrastructure	37,378,345	711,987	-	8,833,679	46,924,011
Right-to-use lease assets - equipment	63,195	35,462	-	-	98,657
Machinery and equipment	1,214,117	610,106	(88,800)	-	1,735,423
Total	38,655,657	1,357,555	(88,800)	8,833,679	48,758,091
Less accumulated depreciation for:					
Infrastructure	(23,928,309)	(1,027,798)	-	-	(24,956,107)
Right-to-use lease assets - equipment	(46,336)	(11,603)	-	-	(57,939)
Machinery and equipment	(1,095,751)	(201,041)	88,800	-	(1,207,992)
Total	(25,070,396)	(1,240,442)	88,800	-	(26,222,038)
Total capital assets, being depreciated, net	13,585,261	117,113	-	8,833,679	22,536,053
Utilities Authority capital assets, net	$ 19,807,378	$ 3,367,142	$ -	$ -	$ 23,174,520

NOTE 6. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the County for the fiscal year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Lease liability	$ 1,104,855	$ 1,267,289	$ (627,375)	$ 1,744,769	$ 302,099
Net pension liability	4,955,716	2,325,275	(1,867,792)	5,413,199	-
Compensated absences	1,241,256	245,891	-	1,487,147	743,574
Governmental activities long-term liabilities	$ 7,301,827	$ 3,838,455	$ (2,495,167)	$ 8,645,115	$ 1,045,673
Business-type activities:					
Landfill post-closure liability	$ 103,570	$ -	$ (35,150)	$ 68,420	$ 36,897
Compensated absences	6,778	1,383	-	8,161	2,856
Business-type activities long-term liabilities	$ 110,348	$ 1,383	$ (35,150)	$ 76,581	$ 39,753

For governmental funds leases and the net pension liability are liquidated by the General Fund and E-911 Fund. For business-type activities, compensated absences are liquidated by the Solid Waste Fund. The change in compensated absences are shown as a net change.

Lease Liabilities

The County entered into lease agreements for periods between one and five years as lessee for the use of certain equipment. The leases have an imputed interest rate of 2.41%.

Principal and interest requirements to maturity for the lease liabilities as of June 30, 2025 are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 302,099	$ 57,591	$ 359,690
2027	313,253	46,438	359,691
2028	634,074	32,885	666,959
2029	237,862	9,011	246,873
2030	162,605	2,359	164,964
2031 and 2032	94,876	269	95,145
	$ 1,744,769	$ 148,553	$ 1,893,322

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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 30 years for all other landfills. For the County's landfill, which was closed prior to April 1994, the estimated liability for post-closure care costs is $68,420, 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.

B. Discretely Presented Component Unit – Utility Authority

The following is a summary of long-term debt activity for the Utility Authority (component unit) for the fiscal year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Utilities Authority:					
Revenue bonds	$ 17,035,000	$ -	$ (775,000)	$ 16,260,000	$ 785,000
Direct placement bonds	4,799,275	-	(508,413)	4,290,862	521,723
Lease liability	18,075	36,227	(12,490)	41,812	19,521
Note payable from direct borrowing	1,505,881	-	(94,295)	1,411,586	95,135
Net pension liability	290,370	127,082	(121,607)	295,845	-
Compensated absences	86,737	20,211	-	106,948	37,432
Utilities Authority long-term liabilities	$ 23,735,338	$ 183,520	$ (1,511,805)	$ 22,407,053	$ 1,458,811

Revenue Bonds – Series 2015 Bonds

In April 2015, the Utility Authority issued $9,595,000 in revenue bonds, which consisted of the 2015A Bonds ($8,805,000) and its Taxable Revenue Bonds, Series 2015B ($1,180,000) for the purpose of: 1) financing the acquisition, construction, installation, and equipping of certain improvements to the County (the "Series 2015 Project"), 2) refunding a portion of the Utility Authority's outstanding Series 2010 Bonds maturing on August 1, 2022 through August 1, 2032, (the "Refunded Bonds"), 3) prepaying a promissory note executed by the Utility Authority in favor of the Georgia Environmental Finance Authority ("GEFA") note, and 4) paying a portion of the costs of issuing the Series 2015A Bonds. Interest is payable semi-annually on February 1 and August 1 of each year, commencing August 1, 2015. Principal payments are due August 1 beginning August 1, 2023 for the 2015A Bonds and beginning August 1, 2015 for the 2015B Bonds.

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Utility Authority (Continued)

Revenue Bonds – Series 2022 Bonds

In December 2022, the Utility Authority issued $9,335,000 in revenue bonds for the purpose of: 1) financing certain improvements to the System, and 2) paying the cost of issuing the bonds. Interest is payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2023. The interest rate on the bonds is 3.61%. Principal payments are due August 1 beginning August 1, 2024. The bond will mature on August 1, 2037.

The Utility Authority's debt service requirements to maturity on the 2015 and 2022 revenue bonds payable are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 785,000	$ 582,673	$ 1,367,673
2027	795,000	560,825	1,355,825
2028	825,000	532,464	1,357,464
2029	855,000	500,940	1,355,940
2030	880,000	466,279	1,346,279
2031 – 2035	7,295,000	1,688,446	8,983,446
2036 – 2038	4,825,000	264,433	5,089,433
	$ 16,260,000	$ 4,596,060	$ 20,856,060

Direct Placement Bonds – Series 2018 Bonds

In July 2018, the Utility Authority issued the Lee County Utility Authority Refunding Revenue Bond, Series 2018 in the amount of $9,100,000 for the purpose of: 1) refunding the Series 2010 Bonds maturing in 2019 and thereafter, and 2) paying the costs of issuing the Series 2018 Bonds. Principal and interest at 2.86% are payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2019. Final payment of principal and interest is due August 1, 2032.

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit - Utility Authority (Continued)

Direct Placement Bonds – Series 2018 Bonds (Continued)

The Utility Authority's debt service requirements to maturity on the direct placement bonds payable are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 521,723	$ 119,026	$ 640,749
2027	538,589	103,964	642,553
2028	553,592	88,453	642,045
2029	566,217	72,526	638,743
2030	582,066	56,230	638,296
2031 – 2033	1,528,675	66,156	1,594,831
	$ 4,290,862	$ 506,355	$ 4,797,217

Note Payable from Direct Borrowing

In fiscal year 2018, the Utility Authority entered into an agreement with GEFA to finance the installation of a 350 kW solar photovoltaic system in the amount of up to $998,000. The project was completed in fiscal year 2020. The original amount of the loan was $945,190 for which $236,179 was forgiven. Principal and interest at 0.65% are payable monthly, commencing October 1, 2019. Final payment of principal and interest is due September 1, 2024. The outstanding principal balance at June 30, 2025 was $468,679.

The Utility Authority entered into a second agreement with GEFA in fiscal year 2022 to finance the cost of acquiring, constructing, and installing additions, extension, or improvements to the Utility Authority's environmental facilities. The original amount of the loan was $1,064,723. Principal and interest at 1.39% are payable monthly, commencing November 1, 2022. Final payment of principal and interest is due October 1, 2042. The outstanding principal balance at June 30, 2025 was $942,907.

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit - Utility Authority (Continued)

Note Payable from Direct Borrowing (Continued)

Debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 95,135	$ 15,496	$ 110,631
2027	96,115	14,516	110,631
2028	97,076	13,555	110,631
2029	98,110	12,521	110,631
2030	99,125	11,506	110,631
2031 – 2035	473,948	41,990	515,938
2036 – 2040	285,118	19,927	305,045
2041 – 2043	166,959	2,363	169,322
	$ 1,411,586	$ 131,874	$ 1,543,460

Lease Liabilities

The Authority entered into lease agreements for periods between one and five years as lessee for the use of certain equipment. The leases have an imputed interest rate of 2.41%.

Principal and interest requirements to maturity for the lease liabilities as of June 30, 2025 are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 19,521	$ 898	$ 20,419
2027	11,564	511	12,075
2028	10,727	170	10,897
	$ 41,812	$ 1,579	$ 43,391

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Fund	$ 9
		$ 9

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Due to/from primary government and component unit:

Receivable	Payable	Amount
General Fund	Utilities Authority	$ 6,066

Interfund transfers:

	Transfers In			
Transfers Out	General Fund	Nonmajor Governmental Funds	Solid Waste Fund	Total
General Fund	$ -	$ 429,543	$ 157,446	$ 586,989
ARPA Fund	479,970	-	-	479,970
Nonmajor Governmental Funds	30,000	-	-	30,000
	$ 509,970	$ 429,543	$ 157,446	$ 1,096,959

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. DEFINED BENEFIT PENSION PLAN

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Lee County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The Utility Authority participates in this plan. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by with the Association of County Commissioners of Georgia ("ACCG"). The ACCG Plan provides retirement, disability and death benefits to plan members and beneficiaries. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to 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 provisions of the ACCG Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to:

Association County Commissioners of Georgia, Retirement Services
191 Peachtree Street, NE, Suite 700
Atlanta, Georgia 30303
or by calling (800) 736-7166

Plan Membership

At January 1, 2024, the date of the most recent actuarial valuation, there were 406 participants as follows:

Inactive plan members (or beneficiaries) currently receiving benefits	52
Inactive plan members entitled to but not yet receiving benefits	115
Active plan members	239
Total	406

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

The ACCG Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of ACCG has adopted a recommended actuarial funding policy for the ACCG Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the ACCG Plan. The funding policy for the ACCG Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the actuarially determined rate. For the fiscal year ended June 30, 2025, the County's contribution was 5.83% of annual payroll. County contributions to the ACCG Plan were $694,140 for the fiscal year ended June 30, 2025.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2024, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2024.

Net Pension Liability

Actuarial Assumptions. The net pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	4.00% - 6.50% per year with an age based scale, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 amount weighted mortality table with a blend of 50% of the general employees and 50% of the public safety employees with a scale AA to 2024.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of a February 2024 actuarial experience study.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

Actuarial Assumptions (Continued). The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Range*
Fixed Income	30 %	25 – 35 %
Large Cap	30	25 – 35
Mid Cap	5	2.5 – 10
Small Cap	5	2.5 – 10
REIT	5	2.5 – 10
International	15	10 – 20
Multi Cap	5	2.5 – 10
Global Allocation	5	2.5 – 10
	100 %	

* Rates shown are net of the 3.00% assumed rate of inflation.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the fiscal year ended June 30, 2025 were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	$ 17,350,213	$ 12,104,127	$ 5,246,086
Changes for the year:			
Service Cost	590,345	-	590,345
Interest	1,200,195	-	1,200,195
Differences between expected and actual experience	454,690	-	454,690
Assumption changes	32,980	-	32,980
Contributions - employer	-	694,140	(694,140)
Net investment income	-	1,295,259	(1,295,259)
Benefit payments, including refunds of employee contributions	(409,131)	(409,131)	-
Administrative expense	-	(77,867)	77,867
Other changes	-	(96,280)	96,280
Net changes	1,869,079	1,406,121	462,958
Ending balance	$ 19,219,292	$ 13,510,248	$ 5,709,044
County's portion			$ 5,413,199
Utilities Authority's portion			295,845
			$ 5,709,044

The required Schedule of Changes in the County's Net Pension Liability and Related Ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets are increasing or decreasing over time relative to the total pension liability.

The net pension liability of $5,709,044 is allocated to governmental activities of the County and the Utility Authority based on their respective share of the liability.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's Net Pension Liability	$ 8,209,171	$ 5,413,199	$ 3,147,582
Utilities Authority's Net Pension Liability	432,062	295,845	165,662
Total Net Pension Liability	$ 8,641,233	$ 5,709,044	$ 3,313,244

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2024, and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the County and Utility Authority recognized pension expense of $1,541,234. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 50,164	$ -
Assumption changes	927,250	-
Differences between expected and actual experience of economic/demographic (gains)/losses	772,189	51,483
Total	$ 1,749,603	$ 51,483
County's portion	$ 1,658,938	$ 48,815
Utilities Authority's portion	90,665	2,668
Total	$ 1,749,603	$ 51,483

NOTE 8. DEFINED BENEFIT PENSION PLAN (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30,	County	Utilities Authority	Total
2026	$ 573,816	$ 28,892	$ 602,708
2027	639,768	32,240	672,008
2028	99,249	3,517	102,766
2029	210,846	10,834	221,680
2030	86,444	12,514	98,958
Total	$ 1,610,123	$ 87,997	$ 1,698,120

NOTE 9. 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 for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, which are public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

NOTE 9. RISK MANAGEMENT (CONTINUED)

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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 $80,000 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 $80,000 per employee per year not to exceed an estimated annual maximum cost of $3,077,136.

The liability for claims payable is reported in the County's Internal Service Fund. Changes in the balances of claims liabilities for the past two years are as follows:

	2025	2024
Unpaid claims, beginning of year	**$ 282,459**	$ 159,903
Incurred claims and changes in estimates	**4,658,794**	3,580,265
Claim payments	**(4,604,442)**	(3,457,709)
Unpaid claims, end of year	**$ 336,811**	$ 282,459

NOTE 10. COMMITMENTS AND CONTINGENCIES

Litigation

The County and Utility Authority are defendants 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 these matters will not have a material adverse effect on the financial position of the County.

Grant Contingencies

The County and the Utility Authority have received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, the County and Utility Authority management believe such disallowances, if any, will not be significant.

NOTE 11. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties in the Southwest Georgia area, is a member of the Southwest Georgia Regional Commission ("RC") and is required to pay annual dues thereto. During the year ended June 30, 2025, the County paid $31,999 in such dues. Membership in the RC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission
181 E. Broad St.
Camilla, Georgia 31730

NOTE 12. RELATED ORGANIZATIONS

The County Commission is responsible for all of the Board appointments of the Lee County Housing Authority. However, the County has no further accountability for this organization.

NOTE 13. HOTEL/MOTEL TAX

The County imposes a 5% hotel/motel tax on lodging facilities within the County. Revenues collected during the fiscal year ended June 30, 2025 were $31,142. Expenditures during the year were $31,142. No transfers out were incurred during the fiscal year ended June 30, 2025.

NOTE 14. ACCOUNTING CHANGES

Change in Accounting Principle

In conjunction with the implementation of GASB Statement No. 101, Compensated Absences, the County is required to reevaluate the accounting treatment of compensated absences. Also, in conjunction with the implementation of GASB Statement No. 100, Accounting Changes and Error Corrections, the County is required to reevaluate its reporting of a Change in Accounting Principle by restating net position for the effect of a newly adopted accounting principle on prior periods. Therefore, in conjunction with the implementation of GASB Statements No. 101 and 100, the following adjustment was required to the beginning net position of the Governmental Activities, Business-type Activities, Solid Waste Fund, and the Utility Authority. The effect of the change in accounting principle are shown in the first two columns of the table below.

Changes to or within the Financial Reporting Entity

The TSPLOST II Capital Projects Fund was previously reported as a nonmajor fund. However, due to increases in its revenues and assets, the TSPLOST II Capital Projects fund met the definition of major fund and was reclassified from nonmajor to a major Fund for the fiscal year ended June 30, 2025. The effects of this change to or within the financial reporting entity are shown in the last four columns in the table below.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

	Change to or Within Financial Reporting Entity		Change in Accounting Principle			
	Funds			Government-wide		Component Unit
	Nonmajor Governmental	TSPLOST II Capital Projects	Solid Waste Fund	Business Type Activities	Governmental Activities	Utility Authority
July 1, 2024, fund balance as previously presented	$ 3,124,280	$ -	$ 52,771	$ 70,862	$ 123,441,253	$ 4,536,131
Change from nonmajor fund to major fund	(1,834,223)	1,834,223	-	-	-	-
Change in accounting principle - GASB 101	-	-	(2,113)	(2,113)	(151,467)	(10,896)
July 1, 2024, fund balance as restated	$ 1,290,057	$ 1,834,223	$ 50,658	$ 68,749	$ 123,289,786	$ 4,525,235

REQUIRED SUPPLEMENTARY INFORMATION

LEE COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023	2022
Total Pension Liability - Beginning of Year	**$ 17,350,213**	$ 14,950,111	$ 13,646,125	$ 12,459,639
Service Cost	**590,345**	439,453	437,313	433,868
Interest on the Total Pension Liability	**1,200,195**	1,032,271	943,172	863,141
Liability Experience (Gain)/Loss	**454,690**	209,413	242,716	124,763
Changes of Assumptions	**32,980**	1,125,742	25,267	22,823
Benefit Payments	**(409,131)**	(406,777)	(344,482)	(251,449)
Service Credit Transfer	**-**	-	-	(6,660)
Net Change in Total Pension Liability	**1,869,079**	2,400,102	1,303,986	1,186,486
Total Pension Liability - End of Year (a)	**19,219,292**	17,350,213	14,950,111	13,646,125
Plan Fiduciary Net Position - Beginning of Year	**12,104,127**	10,449,785	12,039,676	10,156,639
Contributions - Employer	**694,140**	645,219	602,675	678,831
Net Investment Income	**1,295,259**	1,581,356	(1,727,966)	1,591,002
Benefit Payments	**(409,131)**	(406,777)	(344,482)	(251,449)
Service Credit Transfer	**-**	-	-	(6,660)
Administrative Expenses	**(77,867)**	(73,190)	(68,767)	(66,351)
Other Receipts	**(96,280)**	(92,266)	(51,351)	(62,336)
Net Change in Plan Fiduciary Net Position	**1,406,121**	1,654,342	(1,589,891)	1,883,037
Plan Fiduciary Net Position - End of Year (b)	**13,510,248**	12,104,127	10,449,785	12,039,676
County's Net Pension Liability (a) - (b)	**$ 5,709,044**	$ 5,246,086	$ 4,500,326	$ 1,606,449
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**70.30%**	69.76%	69.90%	88.23%
Covered Payroll	**$ 11,905,748**	$ 11,038,280	$ 10,730,898	$ 10,322,602
Net Pension Liability as a Percentage of the Covered Payroll	**48.0%**	47.5%	41.9%	15.6%

2021	2020	2019	2018	2017	2016	2015
$ 11,149,310	$ 9,753,229	$ 8,915,388	$ 8,644,381	$ 7,816,878	$ 6,465,814	$ 5,646,475
417,182	380,411	426,394	477,903	446,272	447,004	444,815
773,251	682,726	642,257	621,871	584,588	482,064	421,716
303,954	(7,544)	202,821	(715,688)	(506,941)	160,036	-
21,692	520,084	(320,266)	20,644	348,342	338,535	-
(205,750)	(179,596)	(113,365)	(133,723)	(44,758)	(76,575)	(47,192)
-	-	-	-	-	-	-
1,310,329	1,396,081	837,841	271,007	827,503	1,351,064	819,339
12,459,639	11,149,310	9,753,229	8,915,388	8,644,381	7,816,878	6,465,814
8,761,932	7,054,491	7,031,179	5,698,869	4,848,328	4,325,599	3,687,107
523,000	499,653	551,592	657,635	638,935	657,405	503,835
1,193,755	1,489,761	(335,226)	912,232	354,482	38,236	273,820
(205,750)	(173,523)	(113,365)	(133,723)	(44,758)	(76,575)	(47,192)
-	-	-	-	-	-	-
(62,947)	(59,944)	(47,679)	(49,348)	(49,420)	(48,186)	(47,622)
(53,351)	(48,506)	(32,010)	(54,486)	(48,698)	(48,151)	(44,349)
1,394,707	1,707,441	23,312	1,332,310	850,541	522,729	638,492
10,156,639	8,761,932	7,054,491	7,031,179	5,698,869	4,848,328	4,325,599
$ 2,303,000	$ 2,387,378	$ 2,698,738	$ 1,884,209	$ 2,945,512	$ 2,968,550	$ 2,140,215
81.52%	78.59%	72.33%	78.87%	65.93%	62.02%	66.90%
$ 9,970,545	$ 9,459,231	$ 9,186,873	$ 10,006,196	$ 9,238,642	$ 9,675,437	$ 9,693,809
23.1%	25.2%	29.4%	18.8%	31.9%	30.7%	22.1%

LEE COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023	2022
Actuarially Determined Contribution	**$ 906,724**	$ 640,845	$ 600,551	$ 605,503
Actual Contributions During the Year	**694,140**	645,219	640,845	678,831
Contribution Deficiency/(Excess)	**$ 212,584**	$ (4,374)	$ (40,294)	$ (73,328)
Covered Payroll	**$ 11,905,748**	$ 11,038,280	$ 10,730,898	$ 10,322,602
Contributions as a Percentage of Covered Payroll	**5.83%**	5.85%	5.97%	6.58%

Notes to the Schedule:

Valuation Date	January 1, 2024
Actuarial Cost Method	Entry age normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining
Projected Salary Increases	4.00% – 6.50%
Assumed Rate of Return on Investments	7.00%

2021	2020	2019	2018	2017	2016	2015
$ 590,284	$ 498,895	$ 550,496	$ 638,157	$ 605,393	$ 601,121	$ 611,182
523,000	499,653	551,592	657,635	638,935	657,405	503,835
$ 67,284	$ (758)	$ (1,096)	$ (19,478)	$ (33,542)	$ (56,284)	$ 107,347
$ 9,970,545	$ 9,459,231	$ 9,186,873	$ 10,006,196	$ 9,238,642	$ 9,675,437	$ 9,693,809
5.25%	5.28%	6.00%	6.57%	6.92%	6.79%	5.20%

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

LEE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds				
	Drug Abuse Treatment and Education Fund	Jail Fund	District Attorney Forfeiture Fund	Law Library Fund	E-911 Fund
ASSETS					
Cash and cash equivalents	$ 70,240	$ 84,171	$ 51,384	$ 3,809	$ 8,913
Investments	9,860	-	-	-	-
Accounts receivable	-	-	-	-	98,715
Due from other governments	-	3,037	-	-	-
Total assets	$ 80,100	$ 87,208	$ 51,384	$ 3,809	$ 107,628
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 1,182	$ 32,405
Accrued liabilities	-	-	-	-	16,100
Total liabilities	-	-	-	1,182	48,505
FUND BALANCES					
Restricted for:					
Public safety	80,100	87,208	-	-	59,123
Judicial	-	-	51,384	2,627	-
Capital projects	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Total fund balances	80,100	87,208	51,384	2,627	59,123
Total liabilities and fund balances	$ 80,100	$ 87,208	$ 51,384	$ 3,809	$ 107,628

Special Revenue Funds						Capital Projects Fund		
Special Assessment Fund	Hotel/Motel Tax Fund	National Opioid Fund	Magistrate Tech Fee Fund	Community Development Fund	1% SPLOST VI BONY Advance Capital Projects Fund	(Previously nonmajor) TSPLOST II Capital Projects Fund	Total
$ 759,377	$ 55,836	$ 170,713	$ 9,030	$ 129,755	$ 31	$ -	$ 1,343,259
-	-	-	-	-	-	-	9,860
-	693	-	-	-	-	-	99,408
-	-	-	-	-	-	-	3,037
$ 759,377	$ 56,529	$ 170,713	$ 9,030	$ 129,755	$ 31	$ -	$ 1,455,564
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,587
-	-	-	-	-	-	-	16,100
-	-	-	-	-	-	-	49,687
-	-	170,713	-	129,755	-	-	526,899
-	-	-	9,030	-	-	-	63,041
-	-	-	-	-	31	-	31
759,377	-	-	-	-	-	-	759,377
-	56,529	-	-	-	-	-	56,529
759,377	56,529	170,713	9,030	129,755	31	-	1,405,877
$ 759,377	$ 56,529	$ 170,713	$ 9,030	$ 129,755	$ 31	$ -	$ 1,455,564

LEE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				
	Drug Abuse Treatment and Education Fund	Jail Fund	District Attorney Forfeiture Fund	Law Library Fund	E-911 Fund
Revenues					
Other taxes	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	654,767
Fines and forfeitures	4,466	39,087	4,360	8,229	-
Investment income	2,124	1,990	774	105	1,319
Intergovernmental	-	-	-	-	-
Other revenue	-	-	22,313	-	57,184
Total revenues	6,590	41,077	27,447	8,334	713,270
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	6,548	-	-	-	1,179,523
Judicial	-	-	2,567	12,003	-
Economic development	-	-	-	-	-
Total expenditures	6,548	-	2,567	12,003	1,179,523
Excess (deficiency) of revenues over (under) expenditures	42	41,077	24,880	(3,669)	(466,253)
Other financing sources (uses)					
Transfers in	-	-	-	-	429,543
Transfers out	-	(30,000)	-	-	-
Total other financing sources (uses)	-	(30,000)	-	-	429,543
Net change in fund balances	42	11,077	24,880	(3,669)	(36,710)
Fund balances, beginning of year, as previously presented	80,058	76,131	26,504	6,296	95,833
Change in financial reporting entity (nonmajor to major)	-	-	-	-	-
Fund balances, beginning of year, as adjusted	80,058	76,131	26,504	6,296	95,833
Fund balances, end of year	$ 80,100	$ 87,208	$ 51,384	$ 2,627	$ 59,123

Special Revenue Funds					Capital Projects Fund		
Special Assessment Fund	Hotel/Motel Tax Fund	National Opioid Fund	Magistrate Tech Fee Fund	Community Development Fund	1% SPLOST VI BONY Advance Capital Projects Fund	(Previously nonmajor) TSPLOST II Capital Projects Fund	Total
$ -	$ 31,142	$ -	$ -	$ -	$ -	$ -	$ 31,142
70,873	-	-	9,030	-	-	-	734,670
-	-	-	-	-	-	-	56,142
17,492	1,649	3,664	-	-	-	-	29,117
-	-	40,844	-	-	-	-	40,844
-	-	-	-	17,503	-	-	97,000
88,365	32,791	44,508	9,030	17,503	-	-	988,915
-	-	-	-	9,411	-	-	9,411
22,844	-	8,600	-	-	-	-	1,217,515
-	-	-	-	-	-	-	14,570
-	31,142	-	-	-	-	-	31,142
22,844	31,142	8,600	-	9,411	-	-	1,272,638
65,521	1,649	35,908	9,030	8,092	-	-	(283,723)
-	-	-	-	-	-	-	429,543
-	-	-	-	-	-	-	(30,000)
-	-	-	-	-	-	-	399,543
65,521	1,649	35,908	9,030	8,092	-	-	115,099
693,856	54,880	134,805	-	121,663	31	1,834,223	3,124,280
-	-	-	-	-	-	(1,834,223)	(1,834,223)
693,856	54,880	134,805	-	121,663	31	-	1,290,057
$ 759,377	$ 56,529	$ 170,713	$ 9,030	$ 129,755	$ 31	$ -	$ 1,405,877

LEE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior	Current	Total	
Sales Tax SPLOST VII						
Public safety capital projects and equipment	$ 5,230,447	$ 5,230,447	$ 4,821,367	$ 510,291	$ 5,331,658	100%
Courthouse - security, renovations and records	250,000	250,000	-	36,719	36,719	15%
Water and sewer system projects	750,000	750,000	784,522	59,527	844,049	100%
Roads, streets and bridges	4,535,053	4,535,053	3,235,707	-	3,235,707	71%
Library projects	250,000	250,000	45,289	-	45,289	18%
911 back-up center	500,000	500,000	-	76,440	76,440	15%
Stormwater projects	500,000	500,000	383,393	60,929	444,322	89%
Public works - renovations and equipment	1,070,884	1,070,884	-	11,730	11,730	1%
Public facilities - renovations and GIS	1,000,000	1,000,000	1,487,799	57,880	1,545,679	100%
Recreation projects	3,186,000	3,186,000	767,188	230,548	997,736	31%
Information technology projects	1,000,000	1,000,000	-	-	-	0%
City of Leesburg	2,130,459	2,130,459	2,366,954	568,657	2,935,611	100%
City of Smithville	422,760	422,760	469,689	112,842	582,531	100%
Repayment of issuance of debt	-	-	1,941,394	-	1,941,394	
Total expenditures	$ 20,825,603	$ 20,825,603	$ 16,303,302	$ 1,725,563	$ 18,028,865	

(Continued)

*** Estimated costs are not budgeted by project or in total. Projects are approved according to need at least annually.

LEE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Sales Tax SPLOST VI						
Public safety capital projects and equipment	$ 3,570,000	$ 6,035,569	$ 6,035,569	$ -	$ 6,035,569	100%
Courthouse - security, renovations and records	500,000	668,623	668,623	-	668,623	100%
Water and sewer system projects	2,250,000	1,203,409	1,203,409	-	1,203,409	53%
Roads, streets and bridges	10,738,760	9,715,089	9,715,089	-	9,715,089	90%
Oakland Library project	1,200,000	1,165,891	1,165,891	-	1,165,891	97%
Leesburg/Smithville library projects	465,000	74,134	74,134	-	74,134	16%
Stormwater projects	500,000	703,195	703,195	-	703,195	100%
Public works - renovations and equipment	250,000	336,767	336,767	-	336,767	100%
Public facilities - renovations and GIS	250,000	1,050,613	1,050,613	-	1,050,613	100%
Recreation projects	1,750,000	230,358	230,358	-	230,358	13%
City of Leesburg	2,650,000	2,081,566	2,081,566	-	2,081,566	79%
City of Smithville	779,370	616,035	616,035	-	616,035	79%
Repayment of issuance of debt	3,350,000	4,629,849	4,629,849	-	4,629,849	100%
Total expenditures	$ 28,253,130	$ 28,511,098	$ 28,511,098	$ -	$ 28,511,098	

LEE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Roads, streets and bridges	$ 16,995,017	$ 16,995,017	$ 14,678,593	$ 1,525,609	$ 16,204,202	95%
Total expenditures	$ 16,995,017	$ 16,995,017	$ 14,678,593	$ 1,525,609	$ 16,204,202	

Reconciliation of TSPLOST schedule to financial statements:	
Total of TSPLOST expenditures above	$ 1,525,609
Bond principal expense	627,375
Bond interest expense	62,676
Total Expenditures - TSPLOST Fund	$ 2,215,660

LEE COUNTY, GEORGIA

CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Tax Commissioner – This fund is used to account for all personal property and real property taxes collected and forwarded to the County and other government units.

The following agency funds are used to account for fines, fees and other monies collected by the courts and remitted to other parties in accordance with court orders and state law:

Clerk of Superior Court
Probate Court
Magistrate Court

Sheriff – This fund is used to account for collection of fees, proceeds from judicial sales and cash bonds, which are disbursed to other agencies, the County and individuals.

LEE COUNTY, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	Clerk of Superior Court	Probate Court	Tax Commissioner	Magistrate Court	Sheriff	Total Custodial Funds
ASSETS						
Cash and cash equivalents	$ 164,398	$ 19,949	$ 735,220	$ 19,970	$ 368,952	$ 1,308,489
Property taxes receivable	-	-	298,537	-	-	298,537
Total assets	$ 164,398	$ 19,949	$ 1,033,757	$ 19,970	$ 368,952	$ 1,607,026
LIABILITIES						
Due to others	$ 74,992	$ 9,337	$ 698,054	$ 4,069	$ 160,433	$ 946,885
Uncollected taxes	-	-	298,537	-	-	298,537
Total liabilities	$ 74,992	$ 9,337	$ 996,591	$ 4,069	$ 160,433	$ 1,245,422
NET POSITION						
Restricted for individuals, organizations and other governments	$ 89,406	$ 10,612	$ 37,166	$ 15,901	$ 208,519	$ 361,604

LEE COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Clerk of Superior Court	Probate Court	Tax Commissioner	Magistrate Court	Sheriff	Total Custodial Funds
ADDITIONS						
Fines and forfeitures	$ 1,266,667	$ 475,998	$ -	$ 132,044	$ 337,435	$ 2,212,144
Taxes collected	-	-	29,992,588	-	-	29,992,588
Total additions	1,266,667	475,998	29,992,588	132,044	337,435	32,204,732
DEDUCTIONS						
Fines and fees disbursed	1,254,577	488,897	-	128,125	325,746	2,197,345
Taxes disbursed	-	-	30,081,806	-	-	30,081,806
Total deductions	1,254,577	488,897	30,081,806	128,125	325,746	32,279,151
Change in net position	12,090	(12,899)	(89,218)	3,919	11,689	(74,419)
Net position, beginning of year	77,316	23,511	126,384	11,982	196,830	436,023
Net position, end of year	$ 89,406	$ 10,612	$ 37,166	$ 15,901	$ 208,519	$ 361,604

LEE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS -
UTILITY AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Utility Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 5,238,065
Payments to suppliers and service providers	(1,647,081)
Payments to employees	(1,129,830)
Net cash provided by operating activities	2,461,154
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	(3,892,084)
Proceeds from debt issuance	36,227
Principal paid on notes	(94,295)
Principal paid on bonds	(1,283,413)
Principal paid on leases	(12,490)
Interest paid	(766,976)
Net cash used in capital and related financing activities	(6,013,031)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	225,914
Net cash provided by investing activities	225,914
Net change in cash and cash equivalents	(3,325,963)
Cash and cash equivalents:	
Beginning of year	9,232,616
End of year	$ 5,906,653
Classified as:	
Cash and cash equivalents	$ 2,505,427
Restricted assets, cash and cash equivalents	3,401,226
	$ 5,906,653

(Continued)

LEE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS -
UTILITY AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Utility Authority
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 1,257,447
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation/amortization	1,240,442
Increase in assets and deferred outflows of resources:	
Accounts receivable	(94,562)
Deferred outflows of resources - pensions	44,920
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(29,655)
Accrued liabilities	(1,450)
Compensated absences	20,211
Due to other funds	1,684
Customer deposits payable	945
Net pension liability	5,475
Deferred inflows of resources - pensions	15,697
Net cash provided by operating activities	$ 2,461,154
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Capital assets purchased by other funds	$ 715,500
Total noncash investing, capital and financing activities	$ 715,500

LEE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS - UTILITY AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Utility Authority
OPERATING REVENUES	
Charges for services	$ 5,283,641
Other revenue	48,041
Total operating revenues	5,331,682
OPERATING EXPENSES	
Personnel services	1,216,133
Cost of sales and services	1,617,660
Amortization	11,603
Depreciation	1,228,839
Total operating expenses	4,074,235
Operating income	1,257,447
NON-OPERATING INCOME (EXPENSES)	
Interest income	225,914
Interest expense	(746,095)
Fiscal agent fees	(5,146)
Total non-operating income (expenses) net	(525,327)
Income before capital contributions	732,120
CAPITAL CONTRIBUTIONS	715,500
Change in net position	1,447,620
NET POSITION, beginning of year, as restated	4,525,235
NET POSITION, end of year	$ 5,972,855

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