

Lee County, Georgia

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015



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Lee County, Georgia
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June 30, 2015

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ELECTED

Rick Muggridge, Chairman

Dennis Roland, Vice Chairman

Luke Singletary, County Commissioner

Ed Duffy, County Commissioner

Greg Frich, County Commissioner

Staff

Ron Rabun, County Manager

Heather Jones, Finance Director

Christi Dockery, County Clerk

Jimmy Skipper, County Attorney



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lee County, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Lee County Health Department, which represent 100% of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Lee County Health Department is based on the report of the other auditors.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Development Authority of Lee County, which represent 43%, 83%, and 43%, respectively, of the assets, fund balances, and revenues of the nonmajor governmental funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Development Authority of Lee County, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Lee County, Georgia, as of June 30, 2015, and the respective changes in financial position, the respective budgetary comparison for the General Fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2014, the City adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting of Pensions – an amendment to GASB Statement No. 27. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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.

Other 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying schedule of Special Purpose Local Option Sales Tax Expenditures is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is 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 have also issued our report dated January 6, 2015, 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 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 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.

Carly Riggs & Ingram, L.L.C.

Tifton, Georgia
December 30, 2015

Lee County, Georgia
Statement of Net Position
June 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health Department
ASSETS				
Cash and cash equivalents	3,092,188	2,218,492	\$ 5,310,680	\$ 341,643
Investments	3,699,022	-	3,699,022	-
Accounts receivable, net	687,500	91,626	779,126	265
Property tax receivable	247,863	-	247,863	-
Inventories	-	16,733	16,733	-
Prepaid expenses	-	868	868	-
Due from other governments	1,254,037	-	1,254,037	30,367
Interfund balances	2,232,956	(2,232,956)	-	-
Restricted assets:	-	-	-	-
Cash and cash equivalents	354,366	1,538,621	1,892,987	-
Investments	-	592,693	592,693	-
Capital assets:	-	-	-	-
Land	3,377,163	2,776,762	6,153,925	-
Construction in progress	7,422,969	-	7,422,969	-
Other capital assets, net of accumulated depreciation	31,652,157	20,739,238	52,391,395	29,680
Total assets	54,020,221	25,742,077	79,762,298	401,955
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding	-	618,544	618,544	-
Pension cost	26,737	1,873	28,610	112,651
Total deferred outflows of resources	26,737	620,417	647,154	112,651
LIABILITIES				
Accounts payable	881,342	177,526	1,058,868	14,714
Accrued expenses	365,184	227,552	592,736	-
Long-term liabilities:	-	-	-	-
Due within one year	823,315	785,173	1,608,488	5,562
Due in more than one year	4,334,759	21,743,749	26,078,508	-
Net pension liability	1,997,870	142,345	2,140,215	637,155
Closure and post closure care	-	700,059	700,059	-
Compensated absences	811,820	72,291	884,111	50,058
Total liabilities	9,214,290	23,848,695	33,062,985	707,489
DEFERRED INFLOWS OF RESOURCES				
Deferred refunding	-	454,332	454,332	-
Unavailable revenue	-	79,288	79,288	155,510
Total deferred inflows of resources	-	533,620	533,620	155,510
NET POSITION				
Net investment in capital assets	37,294,215	1,758,773	39,052,988	29,680
Restricted for:	-	-	-	-
Capital projects	262,228	-	262,228	-
Other uses	565,266	-	565,266	262,129
Unrestricted	6,710,959	221,406	6,932,365	(640,202)
Total net position	\$ 44,832,668	\$ 1,980,179	\$ 46,812,847	\$ (348,393)

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

Lee County, Georgia
Statement of Activities (continued)
June 30, 2015

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	6,322,847	393,097	-	4,414,791	\$ (1,514,959)
Public safety	11,945,894	951,660	-	-	(10,994,234)
Court system	1,602,545	1,090,497	-	-	(512,048)
Public works	5,324,462	3,054,006	-	-	(2,270,456)
Public health and welfare	446,450	-	-	-	(446,450)
Public education	-	-	-	-	-
Recreation	450,468	43,390	-	-	(407,078)
Library	639,845	-	-	-	(639,845)
Economic development	1,199,726	-	6,370	-	(1,193,356)
Intergovernmental	-	-	-	-	-
Interest on long-term debt	171,922	-	-	-	(171,922)
Total governmental activities	28,104,159	5,532,650	6,370	4,414,791	(18,150,348)
Business-type activities:					
Water and sewer	3,849,956	3,508,087	-	-	(341,869)
Solid waste	244,340	122,890	-	-	(121,450)
Golf and recreation	855,843	686,250	-	-	(169,593)
Total business-type activities	4,950,139	4,317,227	-	-	(632,912)
Total primary government	33,054,298	9,849,877	6,370	4,414,791	(18,783,260)
Component unit:					
Lee County Health Department	825,182	344,816	491,345	-	10,979
Total component units	\$ 825,182	\$ 344,816	\$ 491,345	\$ -	\$ 10,979

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

Lee County, Georgia
Statement of Activities
For the Year Ended June 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health Department
Change in net position:				
Net (expense) revenue	\$ (18,150,348)	\$ (632,912)	\$ (18,783,260)	\$ 10,979
General revenues:				
Taxes:				
Property taxes	14,065,240	-	14,065,240	-
Local option sales taxes	2,685,285	-	2,685,285	-
Other taxes	1,587,381	-	1,587,381	-
Grants and contributions not restricted to specific programs	-	-	-	-
Investment income	22,444	22,269	44,713	-
Gain on sale of capital assets	-	-	-	-
Other revenues	224,184	10,254	234,438	-
Transfers	(109,521)	109,521	-	-
Total general revenues and transfers	18,475,013	142,044	18,617,057	-
Change in net position	324,665	(490,868)	(166,203)	10,979
Net position, beginning of year (restated)	44,508,003	2,471,047	46,979,050	(359,372)
Net position, end of year	\$ 44,832,668	\$ 1,980,179	\$ 46,812,847	\$ (348,393)

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

Lee County, Georgia
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	1% SPLOST V BONY Advance Capital Projects Fund	1% SPLOST V Tax Proceeds Capital Projects Fund
Assets			
Cash and cash equivalents	1,710,841	-	-
Investments	1,862,387	61	-
Accounts receivable, net	629,236	-	-
Property tax receivable	247,863	-	-
Prepaid expenditures	-	-	-
Due from other governments	464,304	-	-
Due from other funds	3,637,100	5,740,795	4,856,233
Restricted assets:			
Cash and cash equivalents	346,710	-	-
Investments	-	-	16,274
Sales tax receivable	-	-	-
Total assets	\$ 8,898,441	\$ 5,740,856	\$ 4,872,507
Liabilities			
Accounts payable	641,874	22,937	\$ -
Accrued expenses	285,633	1,738	9,157
Due to other governments	-	-	-
Due to other funds	387	5,195,930	5,768,230
Liabilities payable from restricted assets	6,000	-	-
Total liabilities	933,894	5,220,605	5,777,387
Deferred Inflows of Resources			
Unavailable revenue - property taxes	233,737	-	-
Fund Balances			
Nonspendable			
Prepaid expenditures	-	-	-
Restricted for:			
Public services	-	-	-
Debt service	-	-	-
Specific purposes	-	520,251	-
Unassigned, reported in:			
General fund	7,730,810	-	-
Capital projects funds	-	-	(904,880)
Special revenue funds	-	-	-
Total fund balances	7,730,810	520,251	(904,880)
Total liabilities, deferred inflows of resources and fund balances	\$ 8,898,441	\$ 5,740,856	\$ 4,872,507

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

Lee County, Georgia
Balance Sheet
Governmental Funds
June 30, 2015

	1% SPLOST VI Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ -	1,233,686	2,944,527
Investments	1,760,481	59,819	3,682,748
Accounts receivable, net	-	59,103	688,339
Property tax receivable	-	-	247,863
Prepaid expenditures	-	-	-
Due from other governments	789,223	510	1,254,037
Due from other funds	-	343	14,234,471
Restricted assets:	-	-	-
Cash and cash equivalents	-	7,656	354,366
Investments	-	-	16,274
Sales tax receivable	-	-	-
Total assets	2,549,704	\$ 1,361,117	\$ 23,422,625
Liabilities			
Accounts payable	8,784	\$ 16,417	\$ 690,012
Accrued expenses	52,930	10,487	359,945
Due to other governments	-	-	-
Due to other funds	3,940	618,684	11,587,171
Liabilities payable from restricted assets	-	-	6,000
Total liabilities	65,654	645,588	12,643,128
Deferred Inflows of Resources			
Unavailable revenue - property taxes	-	-	233,737
Fund Balances			
Nonspendable	-	-	-
Prepaid expenditures	-	-	-
Restricted for:	-	-	-
Public services	-	-	-
Debt service	-	-	-
Specific purposes	-	1,276,636	1,796,887
Unassigned, reported in:	-	-	-
General fund	-	-	7,730,810
Capital projects funds	2,484,050	-	1,579,170
Special revenue funds	-	(561,107)	(561,107)
Total fund balances	2,484,050	715,529	10,545,760
Total liabilities, deferred inflows of resources and fund balances	\$ 2,549,704	\$ 1,361,117	\$ 23,422,625

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

Lee County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2015

Total governmental fund balances	\$ 10,545,760
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	42,452,289
Net pension liabilities are not current financial obligations and, therefore, are not reported in the funds.	
Net pension liability	(1,997,870)
Pension cost	26,737
Certain property tax revenues are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.	233,737
Liabilities not due and payable in the current period and therefore not reported in the funds:	
Bonds payable	(2,373,261)
Capital leases	(1,083,149)
Notes payable	(1,701,664)
Compensated absences	(811,820)
An internal service fund is used by management to charge the costs of the County's medical benefit plan to individual funds. The assets and liabilities of the internal service fund are included governmental activities in the statement of net position.	(458,091)
Net position of governmental activities	\$ 44,832,668

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
June 30, 2015

	General Fund	1% SPLOST V BONY Advance Capital Projects Fund	1% SPLOST V Tax Proceeds Capital Projects Fund
Revenues			
Property taxes	\$ 14,016,304	\$ -	\$ -
Local option sales taxes	2,890,139	-	-
Other taxes	1,379,517	-	-
Charges for services	3,976,688	-	-
Fines and forfeitures	953,778	-	-
Investment income	17,236	114	494
Intergovernmental	22,244	186,714	-
Other revenues	252,745	-	-
Total revenues	23,508,651	186,828	494
Expenditures			
Current:			
General government	5,373,219	-	-
Public safety	10,498,273	-	-
Court system	1,573,763	-	-
Public works	2,918,861	-	11,278
Public health and welfare	437,912	-	-
Culture and recreation	387,083	-	-
Library	639,845	-	-
Housing and development	896,711	-	-
Intergovernmental	-	-	-
Capital projects	-	-	793,499
Debt service:			
Principal	379,418	-	-
Interest	73,407	-	-
Fiscal agent fees	-	-	-
Total expenditures	23,178,492	-	804,777
Excess (Deficiency) of Revenues Over Expenditures	330,159	186,828	(804,283)
Other Financing Sources (Uses)			
Transfers from other funds	38,563	-	-
Transfers to other funds	(1,238,452)	-	-
Sale of capital assets	-	-	-
Long-term debt issued	814,421	-	-
Total other financing sources (uses)	(385,468)	-	-
Net change in fund balances	(55,309)	186,828	(804,283)
Fund balances, beginning of year	7,786,119	333,423	(100,597)
Fund balances, end of year	\$ 7,730,810	\$ 520,251	\$ (904,880)

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
June 30, 2015

	1% SPLOST VI Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ -	\$ -	\$ 14,016,304
Local option sales taxes	3,316,150	-	6,206,289
Other taxes	-	3,010	1,382,527
Charges for services	-	465,465	4,442,153
Fines and forfeitures	-	136,719	1,090,497
Investment income	2,996	5,187	26,027
Intergovernmental	407,001	469,315	1,085,274
Other revenues	-	6,428	259,173
Total revenues	3,726,147	1,086,124	28,508,244
Expenditures			
Current:			
General government		-	5,373,219
Public safety	-	869,307	11,367,580
Court system	-	9,568	1,583,331
Public works	-	-	2,930,139
Public health and welfare	-	-	437,912
Culture and recreation	-	-	387,083
Library	-	-	639,845
Housing and development	-	207,954	1,104,665
Intergovernmental	451,776	-	451,776
Capital projects	1,766,442	52,338	2,612,279
Debt service:	-		
Principal	535,000	261,230	1,175,648
Interest	91,300	-	164,707
Fiscal agent fees	1,800	-	1,800
Total expenditures	2,846,318	1,400,397	28,229,984
Excess (Deficiency) of Revenues Over Expenditures	879,829	(314,273)	278,260
Other Financing Sources (Uses)			
Transfers from other funds	-	334,066	372,629
Transfers to other funds	-	(38,563)	(1,277,015)
Sale of capital assets	-	72,078	72,078
Long-term debt issued	-	-	814,421
Total other financing sources (uses)	-	367,581	(17,887)
Net change in fund balances	879,829	53,308	260,373
Fund balances, beginning of year	1,604,221	662,221	10,285,387
Fund balances, end of year	\$ 2,484,050	\$ 715,529	\$ 10,545,760

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

Lee County, Georgia

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

June 30, 2015

Net change in fund balances - total governmental funds	\$	260,373
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.</p>		
Capital asset purchases capitalized		2,717,561
Depreciation expense		(2,921,544)
Cost of disposal of capital assets		(175,214)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Debt payments made		1,148,513
Amortization of bond premiums		21,720
Proceeds from the issuance of debt		(814,421)
<p>Tax revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>		
Unavailable revenues - property taxes		48,936
<p>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.</p>		
Change in net pension liability		86,456
Compensated absences		(47,715)
<p>An internal service fund is used by management to charge the costs of the County's medical benefit plan to individual funds. The net revenues (expenses) the internal service fund is reported with governmental activities in the statement of net position.</p>		
		-
Change in net position of governmental activities	\$	324,665

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

Lee County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – General Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	\$ 14,320,143	14,320,143	14,016,304	\$ (303,839)
Local option sales taxes	2,737,240	2,737,240	2,890,139	152,899
Other taxes	1,293,950	1,293,950	1,379,517	85,567
Charges for services	4,062,404	4,062,404	3,976,688	(85,716)
Fines and forfeitures	842,850	842,850	953,778	110,928
Investment income	11,183	11,183	17,236	6,053
Intergovernmental	8,489	8,489	22,244	13,755
Other revenues	141,951	141,951	252,745	110,794
Total revenues	23,418,210	23,418,210	23,508,651	90,441
Expenditures				
Current:				
General government				
County commissioners	1,026,875	1,026,875	888,867	138,008
County Manager	514,769	514,769	507,359	7,410
Elections	206,703	206,703	187,969	18,734
Information technology	204,389	204,389	197,917	6,472
Tax commissioner	356,706	356,706	340,477	16,229
Tax assessor	500,810	500,810	497,787	3,023
Building and grounds	456,243	456,243	291,529	164,714
Utility billing	2,492,106	2,492,106	2,461,314	30,792
Total general government	5,758,601	5,758,601	5,373,219	385,382
Public safety				
Sheriff	3,395,025	3,395,025	3,448,202	(53,177)
Jail	2,139,209	2,139,209	2,177,831	(38,622)
Fire fighting	2,238,560	2,238,560	2,110,771	127,789
Emergency management	2,460,080	2,460,080	2,489,374	(29,294)
Coroner	24,575	24,575	26,364	(1,789)
Animal control	245,920	245,920	245,731	189
Total public safety	10,503,369	10,503,369	10,498,273	5,096
Court system				
Superior court	474,857	474,857	455,931	18,926
District attorney	81,386	81,386	75,919	5,467
Magistrate court	603,925	603,925	503,823	100,102
Probate court	231,070	231,070	229,275	1,795
Juvenile court	55,971	55,971	63,655	(7,684)
Court services	-	-	-	-
Public defender	260,907	260,907	245,160	15,747
Total court system	\$ 1,708,116	\$ 1,708,116	\$ 1,573,763	\$ 134,353

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

Lee County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – General Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Public works				
Roads and bridges	\$ 2,219,541	\$ 2,219,541	\$ 2,918,861	\$ (699,320)
Total public works	2,219,541	2,219,541	2,918,861	(699,320)
Public health and welfare				
Health	318,640	318,640	320,370	(1,730)
Welfare	16,000	16,000	28,450	(12,450)
Extension service	95,417	95,417	89,092	6,325
Total public health and welfare	430,057	430,057	437,912	(7,855)
Culture and recreation	384,365	384,365	387,083	(2,718)
Library	642,522	642,522	639,845	2,677
Housing and development				
Code enforcement	269,460	269,460	267,481	1,979
Community development	14,043	14,043	14,043	-
Planning and engineering	384,633	384,633	400,952	(16,319)
Economic development	214,485	214,485	214,235	250
Total housing and development	882,621	882,621	896,711	(14,090)
Capital projects	-	-	-	-
Debt service				
Principal	459,965	459,965	379,418	80,547
Interest	67,282	67,282	73,407	(6,125)
Total expenditures	23,056,439	23,056,439	23,178,492	(122,053)
Excess (deficiency) of Revenues Over Expenditures	361,771	361,771	330,159	(31,612)
Other Financing Sources (Uses)				
Transfers from other funds	38,563	38,563	38,563	-
Transfers to other funds	(400,334)	(400,334)	(1,238,452)	(838,118)
Long-term debt issued	-	-	814,421	814,421
Total other financing sources (uses)	(361,771)	(361,771)	(385,468)	(23,697)
Net change in fund balances	-	-	(55,309)	(55,309)
Fund balances, beginning of year	7,786,119	7,786,119	7,786,119	-
Fund balances, end of year	\$ 7,786,119	\$ 7,786,119	\$ 7,730,810	\$ (55,309)

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

Lee County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business Type Activities - Enterprise Funds				Governmental
	Utility Authority	Parks and Recreation Authority	Solid Waste Fund	Total	Internal Service Fund
Assets					
Current assets					
Cash and cash equivalents	\$ 2,169,501	\$ 43,403	\$ 5,588	\$ 2,218,492	\$ 147,661
Restricted assets - cash	1,538,621	-	-	1,538,621	-
Investments	-	-	-	-	-
Restricted assets - investments	592,693	-	-	592,693	-
Accounts receivable, net	47,749	42,578	1,299	91,626	-
Due from other funds	-	-	44	44	960,252
Due from component unit	-	-	-	-	-
Inventories	-	16,733	-	16,733	-
Other current assets	-	300	568	868	-
Total current assets	4,348,564	103,014	7,499	4,459,077	1,107,913
Non - current assets					
Restricted assets - cash	-	-	-	-	-
Other assets	-	-	-	-	-
Capital assets:	-	-	-	-	-
Land	77,310	2,536,452	163,000	2,776,762	-
Construction in progress	-	-	-	-	-
Other capital assets, net of accumulated depreciation	19,819,560	913,885	5,793	20,739,238	-
Total non - current assets	19,896,870	3,450,337	168,793	23,516,000	-
Total assets	24,245,434	3,553,351	176,292	27,975,077	1,107,913
Deferred Outflows of Resources					
Deferred refunding	618,544	-	-	618,544	-
Pension costs	1,319	420	134	1,873	-
Total deferred outflows of resources	619,863	420	134	620,417	-

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

Lee County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business Type Activities - Enterprise Funds			Total	Governmental
	Utility Authority	Parks and Recreation Authority	Solid Waste Fund		Activity Internal Service Fund
Liabilities					
Current liabilities					
Accounts payable	99,183	15,616	62,727	177,526	191,408
Accrued expenses	217,501	8,872	1,179	227,552	-
Lines of credit	-	-	-	-	-
Customer deposits	381,695	-	-	381,695	-
Due to other governments	-	-	-	-	-
Due to other funds	1,793,272	346,983	92,745	2,233,000	1,374,596
Liabilities payable from restricted assets	-	-	-	-	-
Current portion of long - term debt	727,497	57,676	-	785,173	-
Total current liabilities	3,219,148	429,147	156,651	3,804,946	1,566,004
Noncurrent liabilities					
Long - term debt, net of current portion	21,057,824	304,230	-	21,362,054	-
Compensated absences	54,776	11,520	5,995	72,291	-
Net pension liability	100,211	31,932	10,202	142,345	-
Other liabilities - closure and post closure	-	-	700,059	700,059	-
Total liabilities	24,431,959	776,829	872,907	26,081,695	1,566,004
Deferred Inflows of Resources					
Deferred refunding	454,332	-	-	454,332	-
Unavailable revenue	79,288	-	-	79,288	-
Total deferred inflows of resources	533,620	-	-	533,620	-
Net Position					
Invested in capital assets	(1,498,451)	3,088,431	168,793	1,758,773	-
Restricted for debt service	-	-	-	-	-
Unrestricted	1,398,169	(311,489)	(865,274)	221,406	(458,091)
Total net position	\$ (100,282)	\$ 2,776,942	\$ (696,481)	\$ 1,980,179	\$ (458,091)

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
June 30, 2015

	Business Type Activities - Enterprise Funds				Governmental
	Utility Authority	Parks and Recreation Authority	Solid Waste Fund	Total	Internal Service Fund
Operating Revenues					
Utility revenues	\$ 3,454,212	\$ -	\$ 122,890	\$ 3,577,102	\$ -
Charges for services	-	685,019	-	685,019	4,078,242
Miscellaneous	53,875	1,231	10,254	65,360	-
Intergovernmental	-	-	-	-	-
Total operating revenues	3,508,087	686,250	133,144	4,327,481	4,078,242
Operating Expenses					
Salaries and wages	673,234	477,713	68,770	1,219,717	-
Operating, administrative and maintenance	1,014,395	315,632	174,723	1,504,750	4,873,387
Depreciation	1,084,836	53,480	847	1,139,163	-
Total operating expenses	2,772,465	846,825	244,340	3,863,630	4,873,387
Operating income (loss)	735,622	(160,575)	(111,196)	463,851	(795,145)
Non - Operating Income (Expenses)					
Interest income	17,738	244	61	18,043	280
Interest expense	(898,045)	(9,018)	-	(907,063)	-
Debt issuance costs	(179,446)	-	-	(179,446)	-
Net decrease in the fair value of investments	4,226	-	-	4,226	-
Income (loss) before contributions and transfers	(319,905)	(169,349)	(111,135)	(600,389)	(794,865)
Other	-	-	-	-	-
Transfers from other funds	-	-	109,521	109,521	794,865
Transfers to other funds	-	-	-	-	-
Change in net position	(319,905)	(169,349)	(1,614)	(490,868)	-
Net position, beginning of year (restated)	219,623	2,946,291	(694,867)	2,471,047	(458,091)
Net position, end of year	\$ (100,282)	\$ 2,776,942	\$ (696,481)	\$ 1,980,179	\$ (458,091)

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

Lee County, Georgia
Statement of Cash Flows
Proprietary Funds
June 30, 2015

	Business Type Activities - Enterprise Funds				Governmental
	Utility Authority	Parks and Recreation Authority	Solid Waste Fund	Total	Activity Internal Service Fund
Cash Flows From Operating Activities					
Cash received from customers and users	\$ 3,454,587	\$ 677,057	\$ 122,839	\$ 4,254,483	\$ 4,078,242
Other operating receipts	53,875	1,231	10,254	65,360	-
Cash payments to employees	(838,435)	(483,975)	(66,908)	(1,389,318)	-
Cash payments to suppliers	(945,669)	(319,776)	(176,254)	(1,441,699)	(4,859,730)
New customer utility deposits	(1,095)	-	-	(1,095)	-
Net cash provided (used) by operating activities	1,723,263	(125,463)	(110,069)	1,487,731	(781,488)
Cash Flows From Noncapital Financing Activities					
Transfers from other funds	-	-	109,521	109,521	794,865
Transfers to other funds	-	-	-	-	-
Net change in due from other funds	-	-	(163)	(163)	(49,563)
Net change in due from component unit	-	-	-	-	-
Net change in due to other funds	237,161	196,849	-	434,010	145,248
Net cash provided (used) by noncapital financing activities	237,161	196,849	109,358	543,368	890,550
Cash Flows From Capital And Related Financing Activities					
Change in deferred charges/refundings	492,679	-	-	492,679	-
Proceeds from issuance of long - term debt	9,595,000	361,439	-	9,956,439	-
Debt issuance costs	(259,696)	-	-	(259,696)	-
Proceeds from capital contributions	-	-	-	-	-
Acquisition and construction of capital assets	(26,974)	(298,784)	-	(325,758)	-
Principal payments on long - term debt	(10,892,843)	(118,187)	-	(11,011,030)	-
Interest paid	(860,740)	(9,018)	-	(869,758)	-
Net cash provided (used) by capital and related financing activities	(1,952,574)	(64,550)	-	(2,017,124)	-
Cash Flows From Investing Activities					
Sale of investment securities	868,260	-	-	868,260	-
Purchase of investments	-	-	-	-	-
Loan disbursements	-	-	-	-	-
Interest received	21,964	244	61	22,269	280
Net cash provided (used) by investing activities	890,224	244	61	890,529	280
Net increase (decrease) in cash and cash equivalents	898,074	7,080	(650)	904,504	109,342
Cash and cash equivalents, beginning of year	2,810,048	36,323	6,238	2,852,609	38,319
Cash and cash equivalents, end of year	\$ 3,708,122	\$ 43,403	\$ 5,588	\$ 3,757,113	\$ 147,661

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

Lee County, Georgia
Statement of Cash Flows
Proprietary Funds
June 30, 2015

	Business Type Activities - Enterprise Funds				Governmental
	Utility Authority	Parks and Recreation Authority	Solid Waste Fund	Total	Activity Internal Service Fund
Reconciliation of Net Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 735,622	\$ (160,575)	\$ (111,196)	\$ 463,851	\$ (795,145)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,084,836	53,480	847	1,139,163	-
New customer utility deposits	(1,095)	-	-	(1,095)	-
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	375	(7,962)	(51)	(7,638)	-
Inventories	-	(2,940)	-	(2,940)	-
Other current assets	-	(300)	-	(300)	78
Increase (decrease) in:					
Accounts payable	68,726	(80)	50,410	119,056	13,579
Accrued expenses	(165,201)	(7,086)	(50,079)	(222,366)	-
Net cash provided (used) by operating activities	\$ 1,723,263	\$ (125,463)	\$ (110,069)	\$ 1,487,731	\$ (781,488)
Non-Cash Capital and Related Financing Activities					
Debt refinancing	-	-	-	-	-
Intergovernmental capital contribution	-	-	-	-	-
Total non-cash capital and related financing activities	\$ -	\$ -	\$ -	\$ -	\$ -

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

Lee County, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 9,818	\$ 1,139,474
Investments:		
Mutual funds	285,971	-
Receivables:		
Accounts receivable, net	-	593,928
Employer and employee's contribution	-	-
Accrued investment income	-	-
Other assets	-	-
Total assets	295,789	1,733,402
Liabilities		
Accrued expenses	-	-
Due to others	-	1,733,402
Total liabilities	-	1,733,402
Net Position		
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to financial statements)	\$ 295,789	\$ -

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

Lee County, Georgia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Pension Trust Fund
Additions	
Contributions	
Employer	\$ -
Participants	-
Other	-
<hr/>	
Total contributions	-
<hr/>	
Investment income	
Net appreciation in fair value of investments	884
Interest and dividends	9,218
Less - investment expenses	-
<hr/>	
Net investment income	10,102
<hr/>	
Total additions	10,102
<hr/>	
Deductions	
Net depreciation in fair value of investments	-
Pension benefits paid	3,782
Administrative expenses	-
<hr/>	
Total deductions	3,782
<hr/>	
Net increase	6,320
<hr/>	
Net assets held in trust for pension benefits	
Beginning of year	289,469
<hr/>	
End of Year	\$ 295,789

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lee County, Georgia have been prepared in conformity with generally accepted accounting principles 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 government's accounting policies are described below.

Reporting Entity

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

Blended Component Units

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

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

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

Discretely Presented Component Unit

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Changes in Net Position) report information on all non-fiduciary activities of the primary government and its component units. As a general rule, 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 accountable.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – Wide Financial Statements

The County's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type activities for the County. Fiduciary activities of the County are not included in these statements.

These statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund financial statements are presented on the accrual basis. Accordingly, all the County's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services to customers who directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated. Governmental activities, which are normally 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.

Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Fines are not susceptible to accrual because, generally, they are not measurable until received in cash. The County considers revenues to be available if they are collected within 60 days after year end.

The County reports the following major governmental funds:

The *General Fund* is the principal fund of the County and is used to account for all of its activities not otherwise accounted for by a specified fund.

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

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

The *1% SPLOST VI Capital Projects Fund* used to account for the capital projects financed from the special purpose local option sales tax which was approved by the voters for a six year period effective October 1, 2007 through September 30, 2013.

The County reports the following major proprietary funds:

The *Utility Authority Fund* accounts for the activities of the Lee County Utility Authority. The Authority operates a water and sewer system for the County.

Proprietary Funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting* and are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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 non-operating revenues and expenses.

Enterprise Funds account for activities that are usually self-sustaining, principally through user charges for services rendered.

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

The *Parks and Recreation Authority* accounts for the activities of the Grand Island Golf Complex, a recreational facility owned by the county.

Additionally the County reports the following fund types:

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

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

Fiduciary Funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting* and are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent. The County utilizes the following fiduciary funds:

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and the County departments.

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

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Discretely Presented Component Unit: The discretely presented component unit is reported using the *economic resources measurement focus basis* and the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents, and investments with an original maturity of three months or less.

Statutes authorize the County to invest in obligations of the U.S. Treasury, other U.S. Government agencies, the State of Georgia, other counties, municipal corporations and political subdivisions of the State of Georgia, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. The fair values of investments in external investment pools are the same as the value of the pool shares.

Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant in aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables. All amounts due from other governments are considered collectible in full.

Outstanding balances between funds at the end of the fiscal year are referred to as either "Due From Other Funds" or "Due To Other Funds".

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

Inventories

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

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets

Proceeds from certain revenues and other resources in the General Fund, Special Revenue Funds, and Capital Projects Funds are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable statutes or agreements.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of assets constructed. No interest expense was capitalized during the fiscal year ending June 30, 2015.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Property, plant and equipment of the primary government and the discretely presented component unit are depreciated using the straight-line method over the following estimated useful lives:

Assets	Capitalization Thresholds	Estimated Service Life in Years
Primary Government		
Buildings	\$ 10,000	25-50
Machinery and equipment	5,000	5-15
Improvements	5,000	10-20
Infrastructure	25,000	15-50
Water & sewer systems	5,000	15-50
Board of Health		
Machinery and equipment	5,000	5-7

Deferred Outflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two types of items that qualify for reporting in this category – the retirement contribution for the current year and advanced debt refundings, the difference between the net carrying amount of the redeemed debt and the reacquisition price of the new debt.

Deferred Inflows of Resources

In addition to liabilities, the County will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items that qualify for reporting in this category. Unavailable revenue is reported only in the government funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In current debt refundings, the County defers the difference between the net carrying amount of the redeemed debt and the reacquisition price of the new debt.

Compensated Absences

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

Long-Term Obligations, Debt Premiums and Discounts

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Debt premiums and discounts are netted against debt payable. On the government-wide financial statements, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. At the government fund reporting level, debt premiums and discounts are reported as other financing sources separately from the face amount of the debt issued.

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. GASB Statement 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes which are imposed by a formal action of the County Commission through adoption of a resolution. Only the County Commission may modify or rescind the commitment;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the County to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the County that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.



Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events were evaluated through December 30, 2015, which is the date the financial statements were available to be issued.

Adoption of Accounting Pronouncement

The County adopted *GASB Statement No. 68 Accounting and Financial Reporting of Pensions* – an amendment to *GASB Statement No. 27*. The objective of this statement is to improve decision-usefulness of information in employer entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring the recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability will also be enhanced through new note disclosures and required supplementary information.

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 Administrator submits 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 accounting principles generally accepted in the United States of America.

The appropriated 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.

Capital Projects Budget

The construction of certain major capital facilities and improvements, which are accounted for by the County in the Capital Projects Fund, 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 in the General Fund

The following General Fund departments incurred actual expenditures in excess of budgeted amounts for the year ended June 30, 2015:

Department	Excess of Expenditures Over Budgeted Amounts
Public works	\$ 699,320
Public health and welfare	7,855
Culture and recreation	2,718
Housing and development	14,090

The excess of actual expenditures over appropriations was funded by available fund balance of the General Fund.

Excess of Expenditures Over Appropriations in Individual Funds

The following funds incurred actual expenditures in excess of budgeted amounts for the year ended June 30, 2015:

Department	Excess of Expenditures Over Budgeted Amounts
District Attorney Forfeiture Fund	\$ 19,369
E-911 Fund	55,805
Special Assessment Fund	52,378
Development Authority	253,505

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2015, are summarized as follows:

Primary Government

Amounts as presented on the entity-wide Statement of Net Position:

Cash and cash equivalents	\$ 5,310,680
Investments	3,699,022
Restricted cash and cash equivalents	1,892,987
Restricted investments	592,693

Amounts as presented on the Statement of Fiduciary Net Position:

Cash	1,149,292
Investments	285,971

<u>Total</u>	<u>\$ 12,930,645</u>
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Deposits with financial institutions	\$ 9,039,332
Deposits with Georgia Fund 1	3,605,342
Investment in mutual funds	285,971

<u>Total</u>	<u>\$ 12,930,645</u>
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Lee County Board of Health:

Cash and cash equivalents	\$ 341,643
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<u>Cash deposited with financial institutions</u>	<u>\$ 341,643</u>
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The County does not have a formal investment policy for interest rate, credit, concentration of credit, or custodial credit risks. As of June 30, 2015 the credit rating for the County's investment in mutual funds was unavailable.

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

Custodial credit risk – investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligation of the U.S. government, or bonds of public authorities, counties, or municipalities.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of the failure of a depository financial institution, a government 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, obligation of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2015, the County's bank balance was not exposed to custodial credit risk because it was insured and collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

NOTE 4 – RECEIVABLES AND TAX REVENUE

Property Tax

Property taxes are levied on property values assessed as of January 1. State law requires that property taxes be based on assessed value, which is 40% of market value. The levy date and payment due date for fiscal year 2015 property taxes were September 27, 2014 and December 20, 2014, respectively. The billings are considered past due 60 days after the billing date and penalties and interest are assessed. The applicable property is subject to lien after the billings are 90 days delinquent.

Upon completion of all assessments and tax returns, the information is turned over to the Lee County Tax Commissioner for completion of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval.

The Lee County Tax Commissioner distributes tax notices and collects tax payments. Collections of the county taxes and remittance of them to the appropriate fund or government are accounted for in the Tax Commissioner Agency Fund.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Receivables

Receivables as of June 30, 2015 for the County's individual major funds, nonmajor funds, and fiduciary funds in the aggregate are as follows:

	General Fund	1% SPLOST VI Capital Projects Fund	1% SPLOST V Tax Proceeds Capital Projects Fund	Nonmajor Governmental and Other Funds
Accounts receivable	\$ 1,648,220	\$ -	\$ -	\$ 58,264
Property tax receivable	413,365	-	-	-
Sales tax receivable		789,223	-	-
Due from other governments	464,304	-	-	1,349
Gross receivables	2,525,889	789,223	-	59,613
Less:				
Allowance for uncollectibles	(1,184,486)	-	-	-
Net total receivables	\$ 1,341,403	\$ 789,223	\$ -	\$ 59,613

	Utility Authority	Parks and Recreation Authority	Solid Waste Fund	Total
Accounts receivable	206,706	195,244	1,299	\$ 2,109,733
Property tax receivable	-	-	-	413,365
Sales tax receivable	-	-	-	789,223
Due from other governments	-	-	-	465,653
Gross receivables	206,706	195,244	1,299	3,777,974
Less:				
Allowance for uncollectibles	(158,957)	(152,666)	-	(1,496,109)
Net total receivables	\$ 47,749	\$ 42,578	\$ 1,299	\$ 2,281,865

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

Interfund Receivables and Payables

Generally, outstanding balances between funds include outstanding charges by one fund to another for services or goods and other miscellaneous receivables and payables between funds. The composition of interfund receivables and payables as of June 30, 2015 is as follows:

Due To	Due From				
	General Fund	1% SPLOST V BONY Advance Capital Projects Fund	1% SPLOST V Tax Proceeds Capital Projects Fund	1% SPLOST VI Capital Projects Fund	Nonmajor Governmental Funds
General Fund	\$ -	\$ 339,697	\$ 27,435	\$ 3,940	\$ -
1% SPLOST BONY Advance Fund	-	-	5,740,795	-	-
1% SPOST V Tax Proceeds Fund	-	4,856,233	-	-	-
Nonmajor Governmental Funds	343	-	-	-	-
Utility Authority	-	-	-	-	-
Parks and Recreation Authority	-	-	-	-	-
Solid Waste Fund	44	-	-	-	-
Internal Service Fund	-	-	-	-	618,684
Total	\$ 387	\$ 5,195,930	\$ 5,768,230	\$ 3,940	\$ 618,684

Due To	Due From				
	Utility Authority	Parks and Recreation Authority	Solid Waste Fund	Internal Service Fund	Total
General Fund	\$ 1,651,260	\$ 240,172	\$ -	\$ 1,374,596	\$ 3,637,100
1% SPLOST BONY Advance Fund	-	-	-	-	5,740,795
1% SPOST V Tax Proceeds Fund	-	-	-	-	4,856,233
Nonmajor Governmental Funds	-	-	-	-	343
Utility Authority	-	-	-	-	-
Parks and Recreation Authority	-	-	-	-	-
Solid Waste Fund	-	-	-	-	44
Internal Service Fund	142,012	106,811	92,745	-	960,252
Total	\$ 1,793,272	\$ 346,983	\$ 92,745	\$ 1,374,596	\$ 15,194,767

If a government finances a capital project from multiple funding sources and SPLOST is one of the funding sources, the SPLOST fund must be used for the total financing of the project. At June 30, 2015 amounts payable from the SPLOST Funds to the General Fund for SPLOST capital projects were \$371,072. These balances will be settled by future revenues.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Interfund Transfers

Interfund transfers are used to move revenues from the fund that the Statute or budget requires to collect them to the fund that the Statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2015 consisted of the following:

Transfer From	Transfer To				
	General Fund	1% SPLOST V BONY Advance Capital Projects Fund	1% SPLOST V Tax Proceeds Capital Projects Fund	Nonmajor Governmental Funds	Utility Authority
General Fund	\$ -	\$ -	\$ -	\$ 334,066	\$ -
1% SPLOST BONY Advance Fund	-	-	-	-	-
1% SPOST V Tax Proceeds Fund	-	-	-	-	-
Nonmajor Governmental Funds	38,563	-	-	-	-
Utility Authority	-	-	-	-	-
Parks and Recreation Authority	-	-	-	-	-
Solid Waste Fund	-	-	-	-	-
Internal Service Fund	-	-	-	-	-
Total	\$ 38,563	\$ -	\$ -	\$ 334,066	\$ -

Transfer From	Transfer To			Total
	Parks and Recreation Authority	Solid Waste Fund	Internal Service Fund	
General Fund	\$ -	\$ 109,521	\$ 794,865	\$ 1,238,452
1% SPLOST BONY Advance Fund	-	-	-	-
1% SPOST V Tax Proceeds Fund	-	-	-	-
Nonmajor Governmental Funds	-	-	-	38,563
Utility Authority	-	-	-	-
Parks and Recreation Authority	-	-	-	-
Solid Waste Fund	-	-	-	-
Internal Service Fund	-	-	-	-
Total	\$ -	\$ 109,521	\$ 794,865	\$ 1,277,015

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended June 30, 2015:

Primary Government

Governmental activities:

	Balance June 30, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Capital assets, not being depreciated:					
Land	\$ 3,552,377	\$ -	\$ (175,214)	\$ -	\$ 3,377,163
Construction in progress	4,862,623	2,560,346	-	-	7,422,969
Total capital assets not being depreciated	8,415,000	2,560,346	(175,214)	-	10,800,132
Other capital assets:					
Buildings	18,281,059	-	-	-	18,281,059
Infrastructure	68,732,072	-	-	-	68,732,072
Improvements other than buildings	1,625,457	-	-	-	1,625,457
Machinery and equipment	10,920,957	157,215	-	-	11,078,172
Total other capital assets at cost	99,559,545	157,215	-	-	99,716,760
Less accumulated depreciation for:					
Buildings	(6,099,857)	(383,273)	-	-	(6,483,130)
Infrastructure	(49,387,941)	(1,835,750)	-	-	(51,223,691)
Improvements other than buildings	(827,900)	(82,939)	-	-	(910,839)
Machinery and equipment	(8,827,361)	(619,582)	-	-	(9,446,943)
Total accumulated depreciation	(65,143,059)	(2,921,544)	-	-	(68,064,603)
Other capital assets, net	34,416,486	(2,764,329)	-	-	31,652,157
Governmental activities capital assets, net	\$ 42,831,486	\$ (203,983)	\$ (175,214)	\$ -	\$ 42,452,289

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Business-type activities:

	Balance June 30, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Capital assets, not being depreciated:					
Land	\$ 2,776,762	\$ -	\$ -	\$ -	\$ 2,776,762
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	2,776,762	-	-	-	2,776,762
Other capital assets:					
Buildings and infrastructure	34,460,486	-	-	-	34,460,486
Improvements other than buildings	262,687	137,000	-	-	399,687
Machinery and equipment	1,226,448	188,758	-	-	1,415,206
Total other capital assets at cost	35,949,621	325,758	-	-	36,275,379
Less accumulated depreciation for:					
Buildings and infrastructure	(13,194,970)	(1,075,684)	-	-	(14,270,654)
Improvements other than buildings	(175,493)	(17,113)	-	-	(192,606)
Machinery and equipment	(1,026,515)	(46,366)	-	-	(1,072,881)
Total accumulated depreciation	(14,396,978)	(1,139,163)	-	-	(15,536,141)
Other capital assets, net	21,552,643	(813,405)	-	-	20,739,238
Business-type activities capital assets, net	\$ 24,329,405	\$ (813,405)	\$ -	\$ -	\$ 23,516,000

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 230,331
Judicial	27,286
Public safety	605,082
Public works	1,957,170
Health and welfare	14,953
Culture and recreation	72,918
Housing and development	13,804
<hr/>	
Total government activities depreciation expense	\$ 2,921,544
<hr/>	
Business-type activities	
Utility Authority	\$ 1,084,836
Parks and Recreation Authority	53,480
Solid Waste	847
<hr/>	
Total business-type activities depreciation expense	\$ 1,139,163
<hr/>	

Component Units

Capital asset activity for the Lee County Board of Health, a discretely presented component unit, for the year ended June 30, 2015 is as follows:

Governmental activities:

	Balance June 30, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
	<hr/>				
Other capital assets:					
Building improvements	\$ 32,595	\$ -	\$ -	\$ -	\$ 32,595
Equipment	6,222	-	-	-	6,222
<hr/>					
Total other capital assets at cost	38,817	-	-	-	38,817
<hr/>					
Total accumulated depreciation	(7,413)	(1,724)	-	-	(9,137)
<hr/>					
Governmental activities capital assets, net	\$ 31,404	\$ (1,724)	\$ -	\$ -	\$ 29,680
<hr/>					

NOTE 7 – DEFICIT FUND BALANCES AND NET POSITION

The following funds reported deficit fund balances or net position at June 30, 2015:

Fund	Deficit Balance at June 30, 2015
1% SPLOST V Tax Proceeds	\$ 904,880
E-911 Fund	561,107
Solid Waste Fund	696,481
Internal Service Fund	458,091

These deficits will be eliminated through future collections of tax revenue, customer receipts and increased transfers from the General Fund.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

NOTE 8 – LONG TERM DEBT

General Obligation Bonds

The County's general obligation bonds outstanding at June 30, 2015, are as follows:

Description	Original Amount	Interest Rate	Due Date	Amount
Lee County General Obligation Sales Tax Bonds Series 2011	\$ 3,350,000	2.00 - 5.00%	2019	\$ 2,290,000
				2,290,000
			Unamortized Discount/premium/loss	83,261
			Less current portion	(550,000)
				\$ 1,823,261

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

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

Fiscal Year Ending,	Principal	Interest	Total
2016	550,000	79,150	629,150
2017	565,000	63,988	628,988
2018	580,000	38,450	618,450
2019	580,000	38,450	618,450
2020	15,000	4,237	19,237
	\$ 2,290,000	\$ 224,275	\$ 2,514,275

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Revenue Bonds

Series 2010 Bonds

On June 24, 2010, the Lee County Utilities Authority issued \$22,070,000 revenue bonds, (the "Series 2010 Bonds") for the purpose of (a) refunding the Prior Bonds and the GEFA Loan, (b) acquiring, constructing, installing and equipping the Series 2010 Projects, (c) funding a debt service reserve fund for the Series 2010 Bonds and (d) paying the costs of issuing the Series Bonds. The Series 2010 Bonds shall bear interest (based on a 360 day year comprised of twelve, thirty day months) from the Interest Payment Date next preceding their date of authentication to which interest has been paid at rates per annum not to exceed 6% per annum. The interest shall be payable February 1 and August 1 of each year, commencing February 1, 2011, and the principal shall mature on the 1st day of August on or before August 1, 2032. The maximum annual debt service on the Series 2010 Bonds in any Sinking Fund year shall not exceed \$2,500,000.

Description	Original Amount	Interest Rate	Due Date	Amount
Lee County Utilities Authority Revenue Bonds Series 2010	\$ 22,070,000	2.0-5.0%	2033	\$ 11,710,000
				11,710,000
			Less current portion	-
				<u>\$ 11,710,000</u>

The Series 2010 Bonds debt service requirements to maturity are as follows:

Fiscal Year Ending,	Principal	Interest	Total
2016	\$ 635,000	\$ 215,949	\$ 850,949
2017	650,000	422,148	1,072,148
2018	700,000	401,898	1,101,898
2019	800,000	375,398	1,175,398
2020	820,000	339,998	1,159,998
2021-2025	3,520,000	1,227,061	4,747,061
2026-2030	2,695,000	687,221	3,382,221
2031-2035	1,890,000	124,099	2,014,099
	<u>\$ 11,710,000</u>	<u>\$ 3,793,772</u>	<u>\$ 15,503,772</u>

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Series 2015 Bonds

On April 28, 2015, the Lee County Utilities Authority issued \$9,595,000 in revenue bonds which consisted of the 2015A Bonds and its Taxable Revenue Bonds, Series 2015B. The proceeds derived from the sale of the Series 2015A Bonds will be used by the Authority for the purpose of (a) financing the acquisition, construction, installation and equipping certain improvements to the System (the "Series 2015 Project"), (b) refunding a portion of the Authority's outstanding Series 2010 Bonds maturing on August 1, 2022 through August 1, 2032, (the "Refunded Bonds"), (c) prepaying a promissory note executed by the Authority in favor of the Georgia Environmental Finance Authority (the "GEFA Note") and (d) paying a portion of the costs of issuing the Series 2015A Bonds. Interest on the Series 2015 Bonds is payable semiannually on February 1 and August 1 of each year commencing August 1, 2015.

Description	Original Amount	Interest Rate	Due Date	Amount
Lee County Utilities Authority				
Revenue Bonds Series 2015 A	\$ 8,415,000	3.7-4.35%	2032	\$ 8,415,000
				8,415,000
			Unamortized premium	390,000
				<u>\$ 8,805,000</u>

The Series 2015A Bonds debt service requirements to maturity are as follows:

Fiscal Year Ending,	Principal	Interest	Total
2016	\$ -	\$ 233,074	\$ 233,074
2017	-	307,350	307,350
2018	-	307,350	307,350
2019	-	307,350	307,350
2020	-	307,350	307,350
2021-2025	1,335,000	1,474,175	2,809,175
2026-2030	4,155,000	963,175	5,118,175
2031-2035	2,925,000	173,600	3,098,600
	<u>\$ 8,415,000</u>	<u>\$ 4,073,424</u>	<u>\$ 12,488,424</u>

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Description	Original Amount	Interest Rate	Due Date	Amount
Lee County Utilities Authority				
Revenue Bonds Series 2015 B	\$ 1,180,000	2.0-2.4%	2021	\$ 1,180,000
				1,180,000
			Less current portion	-
				<u>\$ 1,180,000</u>

The Series 2015B Bonds debt service requirements to maturity are as follows:

Fiscal Year Ending,	Principal	Interest	Total
2016	\$ -	\$ 18,960	\$ 18,960
2017	175,000	23,252	198,252
2018	160,000	19,902	179,902
2019	165,000	16,652	181,652
2020	170,000	13,302	183,302
2021-2025	510,000	11,923	521,923
2026-2030			-
2031-2035			-
	<u>\$ 1,180,000</u>	<u>\$ 103,991</u>	<u>\$ 1,283,991</u>

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Other Long-Term Debt

During 2013, the Development Authority of Lee County issued notes payable for land acquisitions. The current note with an original amount of \$2,122,617 bears interest at 2.85% with semi-annual installments of \$261,230 each, through December 2018, with a balloon payment of \$1,045,817 due December 31, 2018. The balance outstanding as June 30, 2015 was \$1,701,664.

Debt service requirements to maturity are as follows:

Fiscal Year Ending,	Principal	Interest	Total
2016	\$ 212,059	\$ 49,171	\$ 261,230
2017	218,776	42,454	261,230
2018	225,012	36,218	261,230
2019	1,045,817	33,617	1,079,434
2020	-	-	-
	\$ 1,701,664	\$ 161,460	\$ 1,863,124

The Lee County Parks & Recreation Authority refinanced a note payable at Colony Bank to fund renovations at the golf course. The current note is dated May 5, 2015 with an original amount of \$212,541 with an interest rate of 2.75%. The total balance outstanding as of June 30, 2015 was \$213,008.

Notes payable debt service requirements to maturity are as follows:

Fiscal Year Ending,	Principal	Interest	Total
2016	\$ 20,828	\$ 6,053	\$ 26,881
2017	19,341	5,042	24,383
2018	19,880	4,504	24,384
2019	20,433	3,950	24,383
2020	21,003	3,381	24,384
2021-2025	111,523	7,800	119,323
	\$ 213,008	\$ 30,730	\$ 243,738

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

The Lee County Utility Authority received a \$740,000 loan from Sumter Electric Membership Corporation, the recipient of a USDA Rural Economic Development Loan, to be used for the sewer extension along U.S. Highway 82. The note will be repaid in monthly installments of \$7,708 over an eight year period, with no interest, beginning two years after May 8, 2007, the date of the note. The total amount outstanding as of June 30, 2015 was \$169,608. The County has recognized imputed interest at a rate of 4.15 percent on the loan.

Lee County Utility Authority loan payable debt service requirements to maturity are as follows:

Fiscal Year Ending,	Principal	Interest	Total
2016	\$ 92,496	\$ 5,254	\$ 97,750
2017	77,112	1,460	78,572
2018	-	-	-
2019	-	-	-
2020	-	-	-
	\$ 169,608	\$ 6,714	\$ 176,322

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of capital assets. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

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

<u>Fiscal Year Ending,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
2016	\$ 144,442	\$ 59,828	\$ 204,270
2017	144,442	59,828	204,270
2018	379,668	34,899	414,567
2019	204,000	-	204,000
2020	474,920	-	474,920
<hr/>			
Total minimum lease payments	1,347,472	154,555	1,502,027
Less amount representing interest	(264,323)	(5,657)	(269,980)
<hr/>			
Present value of future minimum lease payments	\$ 1,083,149	\$ 148,898	\$ 1,232,047

The following is an analysis of equipment leased under capital leases as of June 30, 2015:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Equipment	1,998,838	295,920	2,294,758
Less accumulated depreciation	(870,597)	(134,136)	(1,004,733)
<hr/>			
Carrying value	1,128,241	161,784	1,290,025

Amortization expense for the year ended June 30, 2015 was \$72,913.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental activities:</i>					
General obligation bonds	\$ 2,825,000	\$ -	\$ (535,000)	\$ 2,290,000	\$ 550,000
Unamortized premium	104,981	-	(21,720)	83,261	-
Total bonds payable	2,929,981	-	(556,720)	2,373,261	550,000
Notes payable	1,910,772	-	(209,108)	1,701,664	212,059
Capital leases	673,133	814,421	(404,405)	1,083,149	61,256
Compensated absences	764,105	47,715	-	811,820	-
Total Governmental activities long-term liabilities	\$ 6,277,991	\$ 862,136	\$ (1,170,233)	\$ 5,969,894	\$ 823,315

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Business-type activities:</i>					
Revenue bonds	\$ 20,700,000	\$ 9,595,000	\$ (8,990,000)	\$ 21,305,000	\$ 635,000
Add: Premium	-	390,000	-	390,000	-
Less: Unamortized discount	(168,836)	-	168,836	-	-
Total bonds payable	20,531,164	9,985,000	(8,821,164)	21,695,000	635,000
Notes payable	2,169,957	212,541	(1,999,882)	382,616	113,324
Less: Unamortized discount	(86,898)	-	7,610	(79,288)	-
Total notes payable	2,083,059	212,541	(1,992,272)	303,328	113,324
Capital leases	21,148	148,898	(21,148)	148,898	36,849
Customer deposits	382,790	-	(1,095)	381,695	-
Closure and post closure costs	751,736	-	(51,677)	700,059	-
Compensated absences	67,576	15,113	(10,397)	72,292	-
Total Business-type activities long-term liabilities	\$ 23,837,473	\$ 10,361,552	\$ (10,897,753)	\$ 23,301,272	\$ 785,173

Compensated absences are liquidated by the General Fund and Enterprise funds for which the liability is incurred.

NOTE 9 – RESTRICTIONS OF FUND BALANCES

In the governmental fund financial statements, fund balances consist of restricted and unassigned amounts. Restrictions of fund balances represent that portion which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unassigned.

Fund balance restrictions at June 30, 2015 include:

Special Revenue Funds

Reserve for restricted purposes to reflect resources legally restricted for specific purposes	\$ 1,224,891
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Capital Projects Funds

Reserve for specific purposes to reflect resources funded by Special Purpose Local Option Sales Tax and Federal grants	\$ 571,996
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NOTE 10 – BENEFIT PLANS

Primary Government

Closed Single-Employer Defined Benefit Plan

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

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

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

A financial report that includes financial statements and required supplementary information for the plan may be obtained by writing to Southern Actuarial Services, 7878 Roswell Road, Sandy Springs, Georgia 30350.

Funding Policy

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

Annual Pension Cost

For the year ended June 30, 2015, the County's annual pension cost of \$0 was equal to the County's required contributions. The required contribution was determined as part of the July 1, 2013, actuarial valuation using the terminal funding method. Under this method, the entire actuarial present value of benefits for each individual is contributed to the plan's fund at the time of withdrawal, retirement or benefit commencement. The actuarial assumptions included (a) 5% investment rate of return and (b) the 1983 individual annuity mortality tables (c) no inflation rate assumption due to the fact all participants are no longer employees of the County. The actuarial value of Plan assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments.

Georgia Firefighters' Pension Fund

Plan Description:

The Georgia Firefighters' Pension Fund (GFPF) is a cost-sharing multiple employer defined benefit created by the General Assembly of Georgia to provide retirement benefits to firefighters. Members of the GFPF are employed by units of government throughout the state of Georgia. Detailed information about the benefits provided to members is available in the separately issued GFPF financial report which is publicly available.

Actuarial Assumptions:

The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	n/a
Investment rate of return	6.50%
Mortality rates	RP-2000, Combined

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal 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.

The discount rate used to measure the total pension liability was 6.50%. 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 employer 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 periods of projected benefit payments to determine the total pension liability.

Net Pension Liability:

At June 30, 2015, the County did not have a liability for a proportionate share of the net pension liability of the GPF because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability associated with the County was \$59,494 as of June 30, 2015.

Pension Expense:

For the year ended June 30, 2015, the County recognized pension expense related to the GPF of \$7,067 and revenue of \$7,067 for support provided by the State of Georgia.

Peace Officers' Annuity and Benefit Fund of Georgia

Plan Description:

The Peace Officers' Annuity and Benefit Fund of Georgia (POABFG) is a cost-sharing multiple employer defined benefit created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers. Members of the POABFG are employed by units of government throughout the State of Georgia. The employers of the POABFG's members do not make contributions to the POABFG. The State of Georgia provides nonemployer contributions to the POABFG through the collection of court fines and forfeitures. Detailed information about the benefits provided to members is available in the separately issued POABFG financial report which is publicly available.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Actuarial Assumptions:

The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	n/a
Investment rate of return	7.00%
Mortality rates	RP-2000, Combined

The long-term expected rate of return on pension plan investments was calculated by the POABFG's investment manager as 6.66% using a Monte Carlo simulation in which best estimate ranges of expected future real rates of return (expected nominal 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. The POABFG's administrator determined that 7.00% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the POABFG's investment manager.

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. 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 periods of projected benefit payments to determine the total pension liability.

Net Pension Liability:

At June 30, 2015, the County did not have a liability for a proportionate share of the net pension liability (asset) of the POABFG because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability (asset) associated with the County was \$(31,271) as of June 30, 2015.

Pension Expense:

For the year ended June 30, 2015, the County recognized pension expense related to the POABFG of \$1,158 and revenue of \$1,158 for support provided by the State of Georgia.

ACCG Defined Benefit Plan

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Lee County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability and death benefits to plan participants and beneficiaries. The plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document.

The Association of County Commissioners Deferred Benefit Plan issues a publically available financial report that includes financial statements and required supplementary information for the statewide plan. That report may be obtained by contacting the Pension Service Company at 1100 Circle 75 Parkway, Suite 320, Atlanta, GA 30339.

All full-time County employees are eligible to participate in the Plan on the employee's employment commencement date. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 or 5 years of vesting service. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.50% of Average Annual Compensation multiplied by years of Credited Service. The plan also provides benefits in the event of death or disability.

Funding Policy

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

Actuarial assumptions

The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of December 31, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost of living adjustment	2.5%	
Salary increases	4.5%-6%	Adjusted for age
Investment rate of return	7.5%	
Increase in Social Security Wage Base	5.5%	

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Mortality rates were based on the RP-2000 Combined Mortality Table. Disability rates were based on Social Security standard rates. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investments 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.

The Trustees shall rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocation are: equities shall not exceed 70% of total plan assets, valued at cost. Fixed income shall be targeted at 30% of total plan assets, valued at cost. The guidelines for asset allocation are as follows:

	Target Allocation	Range
Fixed income	30%	25%-35%
Equities:		
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%

Discount rate

The discount rate used to measure the total pension liability was 7.50 %. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. 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 periods of projected benefit payments to determine the total pension liability.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2014	\$ 5,646,475	\$ 3,687,107	\$ 1,959,368
Changes for the year:			
Service cost	444,815	-	444,815
Interest	421,716	-	421,716
Differences between expected and actual difference	-	-	-
Contributions - employer	-	503,835	(503,835)
Net investment income	-	273,820	(273,820)
Benefit payments	(47,192)	(47,192)	-
Administrative expense	-	(47,622)	47,622
Other	-	(44,349)	44,349
Net changes	819,339	638,492	180,847
Balances at June 30, 2015	6,465,814	4,325,599	2,140,215

Sensitivity of the net pension liability changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	6.50%	8.50%
Total pension liability	\$ 7,967,119	\$ 5,673,355
Fiduciary net position	4,325,599	4,325,599
Net pension liability	3,641,520	1,347,756

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued GEBCorp financial report.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

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

For the year ended June 30, 2015, the County recognized pension revenue of \$56,125. At June 30, 2015, 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
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	28,610	-
Total	\$ 28,610	\$ -

The County's contributions subsequent to the measurement date of \$28,610 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. There were no other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

For the year ended June 30, 2015

Total pension liability		
Service cost	\$	444,815
Interest		421,716
Differences between expected and actual experience		
Benefit payments		(47,192)
Net change in total pension liability		819,339
Total pension liability, beginning		5,646,475
<hr/>		
Total pension liability, ending (a)		6,465,814
<hr/>		
Plan fiduciary net position		
Contributions - employer	\$	503,835
Contributions - employee		
Net investment income		273,820
Benefit payments		(47,192)
Administrative expense		(47,622)
Other		(44,349)
Net change in fiduciary net position		638,492
Plan fiduciary net position - beginning		3,687,107
<hr/>		
Plan fiduciary net position - ending (b)		4,325,599
<hr/>		
Net pension liability - ending: (a)-(b)		2,140,215
<hr/>		
Plan's fiduciary net position as a percentage of the total pension liability		66.9%
Covered-employee payroll		9,693,809

The schedule of employer contributions is as follows:

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	301,962	112.7%
2010	374,133	96.8%
2011	436,935	106.3%
2012	450,170	104.6%
2013	536,218	90.1%
2014	611,182	82.4%

Component Units

Lee County Board of Health

Retirement Plan

The employees' Retirement System (ERS) was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. It is a cost-sharing multiple employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. ERS is directed by the Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature.

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of credible service and attainment of age 60 or 30 years of credible service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of member's highest 24 consecutive Calendar months, multiplied by the number of years of credible service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to members' benefits provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Health Department's contractually required contribution rate, actuarially determined

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

annually, for the year ended June 30, 2015 was 21.96% of annual covered payroll for old and new plan members and 18.87% for GSEPS members.

The employees of the Lee county Health Department are covered by the Employees' Retirement System of the State of Georgia. Total retirement contribution for the year ended June 30, 2015 were \$93,748 based on qualifying salaries of \$435,760.

GASB 68 Implementation

Effective July 1, 2014, Lee County Health Department implemented the provisions of GASB 68, as required by the Governmental Accounting Standard Board. In conjunction with the implementation of Governmental Accounting Standard Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27, as well as Statement No. 71. Pension Transition for Contributions Made Subsequent to the Measurement Date-and amendment of GASB Statement No. 68*, the health department is required to change its accounting treatment for pensions. The new standard establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures.

The following schedules reflect the implementation of GASB Statement No. 68 and information concerning this implementation:

Contributions made during the measurement period (fiscal year ended June 30, 2014): \$ 70,613

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

Employer's proportionate share of net pension liability	637,155
Employer's proportion of net pension liability	0.016988%
Increase/decrease from proportion measured as of	
June 30, 2013	-0.0633%
Employer's recognized pension expense	50,725

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in proportion and differences between Employer contributions and proportionate share of contributions	18,903	-
Employer contributions subsequent to the measurement date	93,748	
Net difference between projected and actual earnings on investments	-	155,510
Total	\$ 112,651	\$ 155,510

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

Year ended June 30,	
2016	(27,063)
2017	(31,790)
2018	(38,878)
2019	(38,876)
2020	-
Thereafter	-

Actuarial assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement

Inflation: 3%

Salary increases: 5.45%-9.25%, including inflation

Investment rate of return: 7.5%, net of pension plan expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the period after Service retirement, for dependent beneficiaries, and for deaths in active services, and the RP-2000 Disabled Mortality Table set back eleven years for males and for the period after disability retirement.

The actuarial assumptions used in June 30m 2013 valuation were based on the results of an actuarial experienced study for the period July 1, 2004-June 30, 2009.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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.

Discount Rate

The discount rate used to measure the collective total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plant member contributions will be made at the current contribution rate and that employer and nonemployer 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 periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s proportionate share of the net pension liability to changes in the discount rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of net liability	929,098	637,155	388,643

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in separately issued Employee’s Retirement System of Georgia Financial Report which is publically available at www.ersga.com.

NOTE 11 – RISK MANAGEMENT

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



Lee County, Georgia
Notes to Financial Statements
June 30, 2015

the fund. The County's deductible for coverage ranges from \$1,000 to \$2,500 with various limits of liability up to \$1,000,000 for liability, and \$39,135,929 for property. Boiler and pressure vessels are covered objects per values submitted.

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

The County has an employee benefit plan designed to protect employees covered against catastrophic health expenses. The plan is a self-funded welfare plan consisting of an insured part and a self-funded part. Under the plan, the self-funded part provides medical coverage for employees and their dependents up to a maximum of \$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 total claims incurred for the year ending June 30, 2015 by the County totaled \$4,873,387. The County contracts with the plan administrator to examine, review, determine benefits, calculate payments, approve or disapprove all claims for the plan.

NOTE 12 – JOINT VENTURES

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

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

NOTE 13 – RELATED ORGANIZATIONS

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

Lee County Housing Authority

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

NOTE 14 – COMMITMENTS AND CONTINGENCIES

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

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

The County has 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, management of the County believes such disallowances, if any, will not be significant.

NOTE 15 – LANDFILL POST CLOSURE CARE COSTS

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for five years after closure of landfills prior to April 1994 and thirty years for all other landfills. For the County's landfill, which was closed prior to April 1994, the estimated liability for post closure care cost is \$10,202, 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.

NOTE 16 – 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, 2015, were \$3,010. The funds were expended by the County for tourism as required by O.C.G.A 48-13-51.

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Note 17 – PRIOR PERIOD ADJUSTMENT

Primary Government

The following restatement was performed to net position at the beginning of the year due to the adoption Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*:

Prior Period Adjustment	Governmental Activities	Business-type Activities	Utility Authority	Parks and Recreation Authority	Solid Waste Fund
Net position, as previously stated	46,629,239	2,615,194	321,102	2,978,627	(684,535)
Less:					
Adjustment for net pension liability	(2,121,236)	(144,147)	(101,479)	(32,336)	(10,332)
Net position , restated	44,508,003	2,471,047	219,623	2,946,291	(694,867)

Lee County, Georgia
Notes to Financial Statements
June 30, 2015

Component Units

Lee County Board of Health

There was a prior restatement of \$(723,037) to governmental activities net position which reflects the effects of implementing GASB Statement No. 68.

Therefore, in conjunction with the implementation of Statement No. 68, the following restatement was required to the beginning net position of the Government Activities to properly recognize pension related items in the periods in which they were incurred.

<u>Prior Period Adjustment</u>	<u>Governmental Activities</u>
Net position, as previously stated	363,665
Adjustment to report net pension liability	(793,650)
Adjustment to report deferred outflow of resources	70,613
<u>Net position , restated</u>	<u>(359,372)</u>

Lee County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds	1% SPLOST IV Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,233,686	\$ -	\$ 1,233,686
Investments	8,074	51,745	59,819
Accounts receivable, net	59,103	-	59,103
Property tax receivable	-	-	-
Prepaid expenditures	-	-	-
Due from other governments	510	-	510
Due from other funds	343	-	343
Restricted assets:	-	-	-
Cash and cash equivalents	7,656	-	7,656
Sales tax receivable	-	-	-
Total assets	1,309,372	51,745	1,361,117
Liabilities			
Accounts payable	\$ 16,417	\$ -	\$ 16,417
Accrued expenses	10,487	-	10,487
Unearned revenue	-	-	-
Due to other governments	-	-	-
Due to other funds	618,684	-	618,684
Liabilities payable from restricted assets	-	-	-
Total liabilities	645,588	-	645,588
Deferred Inflows of Resources			
Unavailable revenue - property taxes	-	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted for:			
Public services	-	-	-
Debt service	-	-	-
Specific purposes	1,224,891	51,745	1,276,636
Unassigned	(561,107)	-	(561,107)
Total fund balances	663,784	51,745	715,529
Total liabilities, deferred inflows of resources and fund balances	\$ 1,309,372	\$ 51,745	\$ 1,361,117

Lee County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds	1% SPLOST IV Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-
Other taxes	3,010	-	3,010
Charges for services	465,465	-	465,465
Fines and forfeitures	136,719	-	136,719
Investment income	4,928	259	5,187
Intergovernmental	469,315	-	469,315
Other revenues	6,428	-	6,428
Total revenues	1,085,865	259	1,086,124
Expenditures			
Current:			
General government	-	-	-
Public safety	869,307	-	869,307
Court system	9,568	-	9,568
Economic development	207,954	-	207,954
Intergovernmental	-	-	-
Capital outlay	51,933	405	52,338
Debt service:	-	-	-
Principal	261,230	-	261,230
Interest	-	-	-
Fiscal agent fees	-	-	-
Total expenditures	1,399,992	405	1,400,397
Excess (Deficiency) of Revenues Over Expenditures	(314,127)	(146)	(314,273)
Other Financing Sources (Uses)			
Transfers from other funds	334,066	-	334,066
Transfers to other funds	(38,563)	-	(38,563)
Sale of capital assets	72,078	-	72,078
Long-term debt issued	-	-	-
Total other financing sources (uses)	367,581	-	367,581
Net change in fund balances	53,454	(146)	53,308
Fund balances, beginning of year	610,330	51,891	662,221
Fund balances, end of year	\$ 663,784	\$ 51,745	\$ 715,529

Lee County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Drug Abuse Treatment & Education Fund	Jail Fund	Building Inspection Fund	District Attorney Forfeiture Fund	Law Library Fund
Assets					
Cash and cash equivalents	\$ 80,193	\$ 45,723	\$ 234	\$ 31,508	\$ 58,721
Investments	8,074	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Property tax receivable	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Due from other governments	510	-	-	-	-
Due from other funds	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	-
Sales tax receivable	-	-	-	-	-
Total assets	\$ 88,777	\$ 45,723	\$ 234	\$ 31,508	\$ 58,721
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 15,391	\$ -
Accrued expenses	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-
Total liabilities	-	-	-	15,391	-
Deferred Inflows of Resources					
Unavailable revenue - property taxes	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted for:					
Public services	-	-	-	-	-
Debt service	-	-	-	-	-
Specific purposes	88,777	45,723	234	16,117	58,721
Unassigned	-	-	-	-	-
Total fund balances	88,777	45,723	234	16,117	58,721
Total liabilities, deferred inflows of resources and fund balances	\$ 88,777	\$ 45,723	\$ 234	\$ 31,508	\$ 58,721

Lee County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	E-911 Fund	Special Assessment Fund	Hotel/ Motel Tax Fund	Development Authority
Assets				
Cash and cash equivalents	\$ 2,827	\$ 412,375	\$ 4,614	591,121
Investments	-	-	-	-
Accounts receivable, net	58,264	839	-	-
Property tax receivable	-	-	-	-
Prepaid expenditures	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	343	-	-	-
Restricted assets:				
Cash and cash equivalents	7,656	-	-	-
Sales tax receivable	-	-	-	-
Total assets	\$ 69,090	\$ 413,214	\$ 4,614	\$ 591,121
Liabilities				
Accounts payable	1,026	\$ -	\$ -	\$ -
Accrued expenses	10,487	-	-	-
Unearned revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	618,684	-	-	-
Liabilities payable from restricted assets	-	-	-	-
Total liabilities	630,197	-	-	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted for:				
Public services	-	-	-	-
Debt service	-	-	-	-
Specific purposes	-	413,214	4,614	591,121
Unassigned	(561,107)	-	-	-
Total fund balances	(561,107)	413,214	4,614	591,121
Total liabilities, deferred inflows of resources and fund balances	\$ 69,090	\$ 413,214	\$ 4,614	\$ 591,121

Lee County, Georgia
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2015

	Community Foundation Fund	Total Nonmajor Special Revenue Funds
Assets		
Cash and cash equivalents	6,370	\$ 1,233,686
Investments	-	8,074
Accounts receivable, net	-	59,103
Property tax receivable	-	-
Prepaid expenditures	-	-
Due from other governments	-	510
Due from other funds	-	343
Restricted assets:		
Cash and cash equivalents	-	7,656
Sales tax receivable	-	-
Total assets	\$ 6,370	\$ 1,309,372
Liabilities		
Accounts payable	\$ -	\$ 16,417
Accrued expenses	-	10,487
Unearned revenue	-	-
Due to other governments	-	-
Due to other funds	-	618,684
Liabilities payable from restricted assets	-	-
Total liabilities	-	645,588
Deferred Inflows of Resources		
Unavailable revenue - property taxes	-	-
Fund Balances		
Nonspendable	-	-
Restricted for:		
Public services	-	-
Debt service	-	-
Specific purposes	6,370	1,224,891
Unassigned	-	(561,107)
Total fund balances	6,370	663,784
Total liabilities, deferred inflows of resources and fund balances	\$ 6,370	\$ 1,309,372

Lee County, Georgia

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2015

	Drug Abuse Treatment & Education Fund	Jail Fund	Building Inspection Fund	District Attorney Forfeiture Fund	Law Library Fund
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	34,524	54,607	-	38,183	9,405
Investment income	325	278	1	188	135
Intergovernmental	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	34,849	54,885	1	38,371	9,540
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	7,015	-	-	-	-
Court system	-	-	-	9,464	104
Public works	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Library	-	-	-	-	-
Economic development	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital outlay	-	-	-	40,006	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-
Total expenditures	7,015	-	-	49,470	104
Excess (Deficiency) of					
Revenues Over Expenditures	27,834	54,885	1	(11,099)	9,436
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	(38,563)	-	-	-
Sale of capital assets	-	-	-	-	-
Long-term debt issued	-	-	-	-	-
Total other financing surces (uses)	-	(38,563)	-	-	-
Net change in fund balances	27,834	16,322	1	(11,099)	9,436
Fund balances (deficit), beginning of year	60,943	29,401	233	27,216	49,285
Fund balances (deficit), end of year	\$ 88,777	\$ 45,723	\$ 234	\$ 16,117	\$ 58,721

Lee County, Georgia

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2015

	E-911 Fund	Special Assessment Fund	Hotel/ Motel Tax Fund	Develop- ment Authority
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	3,010	-
Charges for services	392,282	73,183	-	-
Fines and forfeitures	-	-	-	-
Investment income	248	2,226	47	1,480
Intergovernmental	-	-	-	469,315
Other revenues	-	58	-	-
Total revenues	392,530	75,467	3,057	470,795
Expenditures				
Current:				
General government	-	-	-	-
Public safety	743,844	118,448	-	-
Court system	-	-	-	-
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	1,000	206,954
Intergovernmental	-	-	-	-
Capital outlay	-	-	11,927	-
Debt service:				
Principal	-	-	-	261,230
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	743,844	118,448	12,927	468,184
Excess (Deficiency) of				
Revenues Over Expenditures	(351,314)	(42,981)	(9,870)	2,611
Other Financing Sources (Uses)				
Transfers from other funds	334,066	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	72,078
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	334,066	-	-	72,078
Net change in fund balances	(17,248)	(42,981)	(9,870)	74,689
Fund balances (deficit), beginning of year	(543,859)	456,195	14,484	516,432
Fund balances (deficit), end of year	\$ (561,107)	\$ 413,214	\$ 4,614	\$ 591,121

Lee County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
June 30, 2015

	Community Foundation Fund	Total Nonmajor Special Revenue Funds
Revenues		
Property taxes		\$ -
Local option sales taxes		-
Other taxes		3,010
Charges for services		465,465
Fines and forfeitures		136,719
Investment income		4,928
Intergovernmental		469,315
Other revenues	6,370	6,428
Total revenues	6,370	1,085,865
Expenditures		
Current:		
General government		-
Public safety		869,307
Court system		9,568
Public works		-
Public health and welfare		-
Culture and recreation		-
Library		-
Economic development		207,954
Intergovernmental		-
Capital outlay		51,933
Debt service:		-
Principal		261,230
Interest		-
Fiscal agent fees		-
Total expenditures	-	1,399,992
Excess (Deficiency) of Revenues Over Expenditures	6,370	(314,127)
Other Financing Sources (Uses)		
Transfers from other funds		334,066
Transfers to other funds		(38,563)
Sale of capital assets		72,078
Long-term debt issued		-
Total other financing sources (uses)	-	367,581
Net change in fund balances	6,370	53,454
Fund balances (deficit), beginning of year	-	610,330
Fund balances (deficit), end of year	\$ 6,370	\$ 663,784

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Drug Abuse Treatment & Education Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	24,666	24,666	34,524	9,858
Investment income	182	182	325	143
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	24,848	24,848	34,849	10,001
Expenditures				
Current:				
General government	-	-	-	-
Public safety	24,848	24,848	7,015	17,833
Court system	-	-	-	-
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	24,848	24,848	7,015	17,833
Excess (Deficiency) of Revenues Over Expenditures	-	-	27,834	27,834
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	27,834	27,834
Fund balances (deficit), beginning of year	60,943	60,943	60,943	-
Fund balances (deficit), end of year	\$ 60,943	\$ 60,943	\$ 88,777	\$ 27,834

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Jail Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	28,622	38,405	54,607	16,202
Investment income	172	158	278	120
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	28,794	38,563	54,885	16,322
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	28,794	38,563	54,885	16,322
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	(28,794)	(38,563)	(38,563)	-
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	(28,794)	(38,563)	(38,563)	-
Net change in fund balances	-	-	16,322	16,322
Fund balances, beginning of year	29,401	29,401	29,401	-
Fund balances, end of year	\$ 29,401	\$ 29,401	\$ 45,723	\$ 16,322

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Building Inspection Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	1	1
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	1	1
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	1	1
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	1	1
Fund balances, beginning of year	233	233	233	-
Fund balances, end of year	\$ 233	\$ 233	\$ 234	\$ 1

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – District Attorney Forfeiture Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	30,000	38,183	8,183
Investment income	-	101	188	87
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	30,101	38,371	8,270
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	30,101	9,464	20,637
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	40,006	(40,006)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	-	30,101	49,470	(19,369)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(11,099)	(11,099)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(11,099)	(11,099)
Fund balances, beginning of year	27,216	27,216	27,216	-
Fund balances, end of year	\$ 27,216	\$ 27,216	\$ 16,117	\$ (11,099)

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Law Library Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	9,675	9,675	9,405	(270)
Investment income	106	106	135	29
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	9,781	9,781	9,540	(241)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	9,781	9,781	104	9,677
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	9,781	9,781	104	9,677
Excess (Deficiency) of Revenues Over Expenditures	-	-	9,436	9,436
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	9,436	9,436
Fund balances, beginning of year	49,285	49,285	49,285	-
Fund balances, end of year	\$ 49,285	\$ 49,285	\$ 58,721	\$ 9,436

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual –E-911 Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Charges for services	432,913	432,913	392,282	(40,631)
Fines and forfeitures	-	-	-	-
Investment income	181	181	248	67
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	433,094	433,094	392,530	(40,564)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	688,039	688,039	743,844	(55,805)
Court system	-	-	-	-
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	688,039	688,039	743,844	(55,805)
Excess (Deficiency) of Revenues Over Expenditures	(254,945)	(254,945)	(351,314)	(96,369)
Other Financing Sources (Uses)				
Transfers from other funds	254,945	254,945	334,066	79,121
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	254,945	254,945	334,066	79,121
Net change in fund balances	-	-	(17,248)	(17,248)
Fund balances, beginning of year	(543,859)	(543,859)	(543,859)	-
Fund balances, end of year	\$ (543,859)	\$ (543,859)	\$ (561,107)	\$ (17,248)

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Special Assessment Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Charges for services	63,500	63,500	73,183	9,683
Fines and forfeitures	-	-	-	-
Investment income	2,570	2,570	2,226	(344)
Intergovernmental	-	-	-	-
Other revenues	-	-	58	58
Total revenues	66,070	66,070	75,467	9,397
Expenditures				
Current:				
General government	-	-	-	-
Public safety	66,070	66,070	118,448	(52,378)
Court system	-	-	-	-
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	66,070	66,070	118,448	(52,378)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(42,981)	(42,981)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(42,981)	(42,981)
Fund balances, beginning of year	456,195	456,195	456,195	-
Fund balances, end of year	\$ 456,195	\$ 456,195	\$ 413,214	\$ (42,981)

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Hotel/Motel Tax Fund
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	2,720	2,720	3,010	290
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	75	75	47	(28)
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	2,795	2,795	3,057	262
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	1,000	1,000	1,000	-
Intergovernmental	-	-	-	-
Capital outlay	12,500	12,500	11,927	573
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	13,500	13,500	12,927	573
Excess (Deficiency) of Revenues Over Expenditures	(10,705)	(10,705)	(9,870)	835
Other Financing Sources (Uses)				
Transfers from other funds	10,705	10,705	-	(10,705)
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	10,705	10,705	-	(10,705)
Net change in fund balances	-	-	(9,870)	(9,870)
Fund balances, beginning of year	14,484	14,484	14,484	-
Fund balances, end of year	\$ 14,484	\$ 14,484	\$ 4,614	\$ (9,870)

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Development Authority
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	1,480	1,480
Intergovernmental	208,085	208,085	469,315	261,230
Other revenues	-	-	-	-
Total revenues	208,085	208,085	470,795	262,710
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	214,679	214,679	206,954	7,725
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	261,230	(261,230)
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	214,679	214,679	468,184	(253,505)
Excess (Deficiency) of Revenues Over Expenditures	(6,594)	(6,594)	2,611	9,205
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	72,078	72,078
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	72,078	72,078
Net change in fund balances	(6,594)	(6,594)	74,689	81,283
Fund balances, beginning of year	516,432	516,432	516,432	-
Fund balances, end of year	\$ 509,838	\$ 509,838	\$ 591,121	\$ 81,283

Lee County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Community Foundation
June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	6,370	6,370
Total revenues	-	-	6,370	6,370
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Public works	-	-	-	-
Public health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	6,370	6,370
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long-term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	6,370	6,370
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 6,370	\$ 6,370

Lee County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	Clerk of Superior Court	Probate Court	Tax Commissioner	Magistrate Court	Sheriff's Department	Total Agency Funds
Assets						
Restricted assets:						
Cash and cash equivalents	273,651	45,289	686,926	51,507	82,101	\$ 1,139,474
Property tax receivable	-	-	593,928	-	-	593,928
Total assets	273,651	45,289	1,280,854	51,507	82,101	1,733,402
Liabilities						
Due to others	273,651	45,289	1,280,854	51,507	82,101	1,733,402
Total liabilities	\$ 273,651	\$ 45,289	1,280,854	\$ 51,507	\$ 82,101	\$ 1,733,402

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Lee County, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lee County, Georgia 's basic financial statements and have issued our report thereon dated December 30, 2015.

We did not audit the financial statements of the Development Authority of Lee County or the Lee County Health Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lee County Health Department, is based solely on the report of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lee County, Georgia 's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lee County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Lee County, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses (Findings 2015-1, 2015-2). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the deficiencies described in the accompanying schedule of financial statement findings to be significant deficiencies in internal control over financial reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the significant deficiencies described above to be material weaknesses.

Compliance and Other Matters

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

Lee County, Georgia's Response to Findings

Lee County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Lee County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Tifton, Georgia
December 30, 2015

Lee County, Georgia
Schedule of Financial Statements Findings and Responses
June 30, 2015

Financial Statement Findings and Responses

Findings noted on the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

2015 - 1

Criteria:

Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets are assigned to different personnel.

Condition:

Lee County, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the County does not have an adequate number of employees to provide for the proper segregation of duties.

Cause of Condition:

Since the County is a small local government, it is not financially feasible for the County to hire additional employees to provide for an adequate segregation of duties.

Effect of Condition:

The County's internal control structure does not contain adequate safeguarding controls provided by segregation of duties that would provide for the prevention or timely detection of unauthorized transactions and unauthorized access to assets that could result in losses that are material to the financial statements.

Response of Management:

Management concurs with this finding and is continually working to improve controls to mitigate the risks associated with this condition including the cross-training of staff for rotation of responsibilities.

Lee County, Georgia
Schedule of Financial Statements Findings and Responses
June 30, 2015

2015 - 2 Lee County Utilities Authority (“Utilities Authority”)

Criteria:

Generally accepted accounting principles require Governmental Fund financial statements to be reported using the economic resource measurement focus and the accrual basis of accounting.

Condition:

The Utilities Authority year end closing policies and procedures did not prevent misstatements in the fund.

Cause of Condition:

Additional year end closing entries were required for reporting in accordance with generally accepted accounting principles.

Effect of Condition:

Audit adjustments were required for reporting in accordance with generally accepted accounting principles.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over financial reporting.

Lee County, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
June 30, 2015

	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Sales Tax Referendum					
SPLOST IV					
Road, street & bridge construction unincorporated areas	\$ 5,534,500	\$ 4,769,661	\$ -	\$ 4,769,661	86%
Smithville fire/ems station and equipment	600,000	690,778	-	690,778	100%
Leesburg fire/ems and equipment and general obligation debt	650,000	574,793	-	574,793	88%
Redbone fire/ems and equipment and general obligation debt	650,000	574,793	-	574,793	88%
Palmyra fire/ems station and equipment	300,000	299,720	-	299,720	100%
General obligation for Lee County criminal justice center	2,500,000	2,911,772	-	2,911,772	100%
Lee County courthouse renovation	500,000	256,668	405	257,073	51%
Lee County elementary school renovation and library renovation of Redbone fire station	1,700,000	1,782,698	-	1,782,698	100%
Recreation facilities construction	1,000,000	1,172,205	-	1,172,205	100%
General obligation debt for wastewater treatment plant	2,065,500	856,000	-	856,000	41%
Industrial park	1,000,000	1,016,369	-	1,016,369	100%
Road, street & bridge construction - Leesburg	50,000	50,000	-	50,000	100%
Water & sewer treatment facilities - Leesburg	700,000	692,816	-	692,816	99%
Road, street & bridge construction - Smithville	200,000	283,959	-	283,959	100%
Water & sewer treatment facilities - Smithville	300,000	355,749	-	355,749	100%
Historic facilities renovation - Smithville	200,000	304,661	-	304,661	100%
Public safety facilities - Smithville	50,000	20,093	-	20,093	40%
Total expenditures	\$ 18,000,000	\$ 16,612,735	\$ 405	\$ 16,613,140	

Lee County, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
June 30, 2015

	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
<i>Sales Tax Referendum</i>					
<i>SPLOST V</i>					
Retirement of previously incurred debt	\$ 3,195,973	\$ 10,384,528		\$ 10,384,528	100%
Sheriff's department vehicles	624,500	624,500		624,500	100%
Five (5) replacement ambulances for EMS	625,000	487,829		487,829	78%
City of Leesburg	5,000,000	5,000,000		5,000,000	100%
City of Smithville - road, street, bridges, water & sewer facilities	900,000	687,474		687,474	76%
Park Street recreation complex and capital outlay for recreation	300,000	13,510		13,510	5%
Courthouse square and Old Smithville Road	2,000,000	10,253		10,253	1%
Road, street and bridge construction and improvements in unincorporated areas	6,559,527	4,578,284	797,997	5,376,281	82%
Renovation of old high school	1,500,000	1,497,396		1,497,396	100%
Two (2) fire brush trucks for fire department	100,000	99,982		99,982	100%
Upgrade and expansion of Kinchafoonee wastewater treatment plant	8,000,000	2,687,846		2,687,846	34%
Ambulance for the Smithville fire/ems station	125,000	111,621		111,621	89%
Extension of water lines and systems	1,300,000	1,248,299		1,248,299	96%
Storm water improvements	1,000,000	364,180	6,780	370,960	37%
Palmyra fire/ems station	650,000	84,000		84,000	13%
Renovation and expansion of public works building	270,000	89,280		89,280	33%
Construction of a new headquarters library	2,000,000	4,140,312		4,140,312	100%
Fire tower, burn building and driver training course	500,000	40,238		40,238	8%
Total expenditures	\$ 34,650,000	\$ 32,149,532	\$ 804,777	\$ 32,954,309	

Lee County, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
June 30, 2015

	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
<i>Sales Tax Referendum</i>					
<i>SPLOST VI</i>					
Public safety capital projects and equipment	\$ 3,570,000	\$ 1,715,184	\$ 268,992	\$ 1,984,176	56%
Courthouse - security, renovations & records	500,000	-	-	-	0%
Water & sewersystem projects	2,250,000	-	468,520	468,520	21%
Roads, streets and bridges	10,738,760	247,654	973,085	1,220,739	11%
Oakland library project	1,200,000	1,165,891	-	1,165,891	97%
Leesburg/Smithville Library Projects	465,000	60,468	-	60,468	13%
Stormwater projects	500,000	47,626	8,151	55,777	11%
Public works - renovations and equipment	250,000	56,500	40,694	97,194	39%
Public facilities - renovations & GIS	250,000	23,378	7,000	30,378	12%
Recreation projects	1,750,000	-	-	-	0%
City of Leesburg	2,650,000	220,396	349,010	569,406	21%
City of Smithville	779,370	64,896	102,766	167,662	22%
Repayment of issuance of debt	3,350,000	871,749	628,100	1,499,849	45%
Total expenditures	\$ 28,253,130	\$ 4,473,742	\$ 2,846,318	\$ 7,320,060	