Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
LCEC 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2001

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

LEE COUNTY ELECTRIC COOPERATIVE, INC.

4980 BAYLINE DRIVE
NORTH FORT MYERS, FL 33917

2b Employer Identification Number (EIN)
59-0329555

2c Sponsor's telephone number
239-995-2121

2d Business code (see instructions)
221100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	RUBY PIERCE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	RUBY PIERCE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
LEE COUNTY ELECTRIC COOPERATIVE, INC.

4980 BAYLINE DRIVE
NORTH FORT MYERS, FL 33917

3b Administrator's EIN
59-0329555

3c Administrator's telephone number
239-995-2121

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	443
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	404
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	39
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	443
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	444
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	356
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2J 2F 2G 2K 3F

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
LCEC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
LEE COUNTY ELECTRIC COOPERATIVE, INC.

D Employer Identification Number (EIN)
59-0329555

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

NEW YORK LIFE INVESTMENT MANAGEMENT

52-2206685

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 62 64	RETAINED BY CLIENT	7953	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name: JACKSON THORNTON & COMPANY	**b** EIN:	63-1035228
c	Position: AUDITOR		
d	Address: 194 FORT TOULOUSE ROAD WETUMPKA, AL 36092	**e** Telephone:	334-512-0206

Explanation: HIRED NEW AUDIT/ACCOUNTANT FIRM

a	Name:	**b** EIN:	
c	Position:		
d	Address:	**e** Telephone:	

Explanation:

a	Name:	**b** EIN:	
c	Position:		
d	Address:	**e** Telephone:	

Explanation:

a	Name:	**b** EIN:	
c	Position:		
d	Address:	**e** Telephone:	

Explanation:

a	Name:	**b** EIN:	
c	Position:		
d	Address:	**e** Telephone:	

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
LCEC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
LEE COUNTY ELECTRIC COOPERATIVE, INC.

D Employer Identification Number (EIN)
59-0329555

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	7028746	6895357
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	757797	821489
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	18832221	17953641
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	26618764	25670487
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	26618764	25670487

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	477610	
(B) Participants	2a(1)(B)	1518971	
(C) Others (including rollovers)	2a(1)(C)	152761	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		2149342
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	665	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	35311	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		35976
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	299173	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		299173
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-692692
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1791799
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2730827	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2730827
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	7952	
(3) Investment advisory and management fees	2i(3)	1297	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		9249
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2740076
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-948277
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PURVIS GRAY & COMPANY (2) EIN: 59-0548468

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R
(Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
LCEC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
LEE COUNTY ELECTRIC COOPERATIVE, INC.

D Employer Identification Number (EIN)
59-0329555

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-3808042

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

LCEC 401(k) PLAN
NORTH FORT MYERS, FLORIDA

DECEMBER 31, 2011

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

LCEC 401(k) PLAN
NORTH FORT MYERS, FLORIDA

DECEMBER 31, 2011

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Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

The Investment Committee
LCEC 401(k) Plan
North Fort Myers, Florida

We were engaged to audit the financial statements and supplemental schedule of LCEC 401(k) Plan (the Plan) as of December 31, 2011, and for the year then ended, as listed in the table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management. The financial statements and supplemental schedule of the Plan as of December 31, 2010, were audited by other auditors whose report dated October 6, 2011, disclaimed an opinion on those statements and schedule, because of a similar scope limitation as is in this report.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by the New York Life Trust Company, the Custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Custodian as of December 31, 2011, that the information provided to the Plan Administrator by the Custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Purvis, Gray and Company, LLP

July 12, 2012
Sarasota, Florida

Certified Public Accountants
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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010
LCEC 401(k) PLAN
NORTH FORT MYERS, FLORIDA

Assets

	2011	2010
Investments, at Fair Value	$ 24,848,998	$ 25,860,967
Notes Receivable from Participants	821,489	757,797
Total Assets	25,670,487	26,618,764
Net Assets Available for Benefits	$ 25,670,487	$ 26,618,764

See accompanying notes.

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
LCEC 401(k) PLAN
NORTH FORT MYERS, FLORIDA

	2011	2010
Additions to Net Assets Attributed to:		
Investment (Loss) Income:		
Net (Depreciation) Appreciation in Fair Value of Investments	$ (392,854)	$ 2,350,835
Interest on Notes Receivable from Participants	35,311	32,503
Total Investment (Loss) Income	(357,543)	2,383,338
Contributions:		
Participants	1,518,971	1,401,665
Employer	477,610	454,633
Rollover	152,761	255,946
Total Contributions	2,149,342	2,112,244
Transfer of Plan Assets due to Merger	0	7,083,650
Total Additions	1,791,799	11,579,232
Deductions From Net Assets Attributed to:		
Benefits Paid to Participants	2,730,827	1,387,660
Corrective Distributions	0	42,794
Administrative Expenses	9,249	7,507
(Total Deductions)	2,740,076	1,437,961
Net (Decrease) Increase	(948,277)	10,141,271
Net Assets Available for Benefits, Beginning of Year	26,618,764	16,477,493
Net Assets Available for Benefits, End of Year	$ 25,670,487	$ 26,618,764

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
LCEC 401(k) PLAN
NORTH FORT MYERS, FLORIDA

Note 1 - Description of the Plan

Organization

Lee County Electric Cooperative, Inc. (LCEC or the Employer) established a defined contribution plan, the LCEC 401(k) Plan (the Plan), for the benefit of its employees effective January 1, 2001. The Employer previously participated in a multi-employer plan (the Previous Plan). Effective January 1, 2001, the Employer transferred the Plan's assets out of the Previous Plan into the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Effective January 1, 2010, LCEC merged the LCEC 401(k) Union Plan into the Plan. All plan assets were transferred to the Plan on January 6, 2010.

Effective January 1, 2010, the Plan changed its custodian and record keeper from Massachusetts Mutual Life Insurance Company to New York Life Trust Company (New York Life).

The following brief description of the Plan provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all eligible employees. To participate in the Plan, employees must complete 30 days of service. Employees become eligible to receive an allocation of matching contributions from the Employer after the employee has completed one year of service (1,000 hours).

Contributions

Participants in the Plan may contribute a portion of their annual pretax compensation, not to exceed the maximum annual contribution limit allowed by the Internal Revenue Code (the Code). Participants who have attained age 50 during the Plan year can make additional "catch-up" contributions up to annual limits. Participants may also contribute amounts representing distributions from other qualified retirement plans. After-tax contributions are not permitted in the Plan.

Previously, the Plan required employer matching contributions on behalf of eligible participants. On June 1, 2009, the Plan was amended to change the required employer matching contributions to discretionary employer matching contributions. For 2011 and 2010, the employer matching contributions were 50% of the tax-deferred contributions made by the participant on the first 6% of compensation.

Investment Options

Upon enrollment, a participant may direct employee and employer contributions to any of the Plan's fund options. Participants may also redirect their contributions or exchange their existing account balance among the funds on any business day.

Note 1 - Description of the Plan *(Concluded)*

Notes Receivable from Participants
Participants may borrow from their account balances. The minimum amount is $1,000 up to a maximum amount equal to the lesser of $50,000 or 50% of their vested account balance, reduced by the highest outstanding balance of any other loan to the participant during the preceding 12 month period. No more than two loans outstanding are allowed at any time. The loan must be repaid through payroll deductions over a period of no more than five years, unless the participant is on a leave of absence, in which case a reasonable repayment period is determined at the time of the loan, provided certain requirements of the leave of absence are met. The loans bear interest at the prime rate on the date of the loan plus one percentage point. If a participant's loan is in default, the participant shall be deemed to have received a taxable distribution in the amount of the outstanding loan balance.

Participant Accounts
Each participant's account is credited with the participant's contributions and allocations of: (a) employer contributions and (b) plan investment results. Employer contributions are allocated based on participant deferrals. Plan investment results are allocated based on participant account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided by the participant's account.

Vesting
Participants are immediately 100% vested in their contributions, employer contributions, and rollover balances plus actual earnings thereon.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting
The Plan's financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition
Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividend income is recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Note 2 - Summary of Significant Accounting Policies *(Concluded)*

Payment of Benefits
Upon death, retirement, or termination of service, participants, or their designated beneficiaries may receive an amount equal to the vested amount of his or her account. Benefit payments will be made in a single lump-sum payment; or periodic installments for vested accounts exceeding $5,000, not to exceed the life expectancy of the participants or their beneficiary; or partial lump sum payments.

In-service withdrawals are allowed upon reaching age 62. Employees may withdraw up to one time per year all/any portion of their pre-tax contributions and/or rollover contributions. Minimum withdrawal is $1,000.

Administrative Expenses
Generally, the expenses of administering the Plan are paid from plan assets, unless the Employer elects to make the payment. In addition, a participant's account may be charged for the cost of administrative expenses that are attributable directly to that account.

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 that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 3 - Information Certified By the Custodian

The following is a summary of the asset information as of December 31, 2011 and 2010, and for the years then ended, included throughout the Plan's financial statements and supplemental schedule that was prepared by or derived from information provided by the Custodian and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the Custodian that information provided to the Plan Administrator by the Custodian related to the following assets are complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information below:

	2011	2010
Investments, at Fair Value		
Mutual Funds	$ 24,848,998	$ 25,860,967
Total Investments, at Fair Value	$ 24,848,998	$ 25,860,967
Notes Receivable from Participants	$ 821,489	$ 757,797

- Schedule of Assets (Held at Year End) – Plan Year Ending December 31, 2011

The Custodian also certified to the completeness and accuracy of $(392,854) and $2,350,835 of net (depreciation) and appreciation in fair value of investments, and $35,311 and $32,503 of interest on notes receivable from participants, for the years ended December 31, 2011 and 2010, respectively.

Note 4 - Fair Value Measurement

Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* (ASC 820), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1—**Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

- **Level 2—**Inputs to the valuation methodology include:

  - Quoted prices for similar assets or liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Inputs other than quoted prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- **Level 3—**Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value for both 2011 and 2010:

- *Mutual Funds* Valued at the net asset value (NAV) of shares held by the Plan at year-end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4 - Fair Value Measurements *(Continued)*

The following table sets forth by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010:

December 31, 2011	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Cash	$ 6,895,356	$ 0	$ 0	$ 6,895,356
Large Capital Equity	5,874,628	0	0	5,874,628
Target Maturity Options	4,187,966	0	0	4,187,966
Fixed Income	2,750,849	0	0	2,750,849
Mid Capital Equity	1,937,636	0	0	1,937,636
International Equity	788,293	0	0	788,293
Small Capital Equity	1,020,381	0	0	1,020,381
REIT's	690,750	0	0	690,750
Emerging Markets	211,703	0	0	211,703
TIPS	380,330	0	0	380,330
Natural Resources	111,106	0	0	111,106
Total Investments	$ 24,848,998	$ 0	$ 0	$ 24,848,998

December 31, 2010	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Cash	$ 7,028,746	$ 0	$ 0	$ 7,028,746
Large Capital Equity	6,698,455	0	0	6,698,455
Target Maturity Options	4,390,850	0	0	4,390,850
Fixed Income	2,435,872	0	0	2,435,872
Mid Capital Equity	1,698,810	0	0	1,698,810
International Equity	1,244,138	0	0	1,244,138
Small Capital Equity	1,209,228	0	0	1,209,228
REIT's	773,449	0	0	773,449
Emerging Markets	226,554	0	0	226,554
TIPS	87,374	0	0	87,374
Natural Resources	67,491	0	0	67,491
Total Investments	$ 25,860,967	$ 0	$ 0	$ 25,860,967

Note 4 - Fair Value Measurement *(Concluded)*

The fair value of investments that represent 5% or more of the Plan's net assets is as follows for December 31, 2011 and 2010:

	2011	2010
New York Life:		
MainStay Cash Reserves Fund I	$ 6,895,356	$ 7,028,746
MainStay ICAP Select Equity I	3,152,112	3,631,012
PIMCO Total Return Fund (Admin)	1,882,224	2,042,636
BlackRock LifePath 2020 Inst	1,605,707	1,777,382
Columbia Large Cap Index Z	1,533,610	1,659,178
MainStay Large Cap Growth I	-	1,408,266

Note 5 - Plan Merger

Effective January 1, 2010, the Plan Sponsor approved the merger of the LCEC 401(k) Union Plan (merged Plan) into the Plan. The merger does not impact participant benefits or plan provisions. At the date of the merger, the merged Plan's net assets available for benefits that were transferred to the ongoing Plan were $7,083,650.

Note 6 - Income Tax Status

The Plan received a determination letter from the Internal Revenue Service (IRS) dated January 28, 2005, that stated that the Plan was qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust was exempt from taxation. The IRS determined and informed the Company by a letter dated February 10, 2011, that the Plan and related trust, as currently designed, is in accordance with the applicable sections of the Code. The Plan Administrator believes the Plan is operating in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Note 7 - Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note 8 - Plan Termination

Although the Employer has not expressed any intent to do so, the Employer has the right under the Plan to terminate the Plan subject to the provisions of ERISA and approval by the Board of Directors. In the event of plan termination, all amounts credited to a participant's account will be distributed as defined in the Plan.

Note 9 - Related Party Transactions

Certain plan investments are shares of mutual funds managed by the Custodian. Therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for administrative fees amounted to $9,249 and $7,507 for the years ended December 31, 2011 and 2010, respectively.

Note 10 - Subsequent Events

The Plan Administrator has evaluated subsequent events through July 12, 2012, the date the financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2011 have been incorporated in these financial statements.

Note 11 - Reconciliation to Form 5500

The following is a reconciliation of participant contributions per the financial statements to the Form 5500, as of December 31, 2011 and 2010:

	2011	2010
Participant Contributions per the Financial Statements	$ 1,518,971	$ 1,401,665
Participant Contribution Receivables at December 31, 2009 (Union)	0	10,915
Participant Contribution Receivables at December 31, 2009 (Non-union)	0	31,293
Total Participant Contributions per the Form 5500	$ 1,518,971	$ 1,443,873

The following is a reconciliation of employer contributions per the financial statements to the Form 5500, as of December 31, 2011 and 2010:

	2011	2010
Employer Contributions per the Financial Statements	$ 477,610	$ 454,633
Employer Contribution receivables at December 31, 2009 (Union)	0	4,121
Employer Contribution receivables at December 31, 2009 (Non-union)	0	11,695
Total Employer Contributions per the Form 5500	$ 477,610	$ 470,449

The following is a reconciliation of the transfer of Plan assets due to merger per the financial statements to the Form 5500, as December 31, 2011 and 2010:

	2011	2010
Transfer of Plan Assets Due to Merger per the Financial Statements	$ 0	$ 7,083,650
Participant Contribution Receivables at December 31, 2009 (Union)	0	(10,915)
Employer Contribution Receivables at December 31, 2009 (Union)	0	(4,121)
Transfers of Plan Assets Due to Merger per the Form 5500	$ 0	$ 7,068,614

SUPPLEMENTAL SCHEDULE

FORM 5500 SCHEDULE H, Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
PLAN YEAR ENDING DECEMBER 31, 2011
LCEC 401(k) PLAN
EIN 59-0329555 - PLAN NUMBER 001
NORTH FORT MYERS, FLORIDA

(A)	(B)	(C)	(D)	(E)
	Identity of Issuer, Borrower,	**Description of Investment Including Maturity Date,**	**Cost**	**Current Value**
(1)	**Lessor or Similar Party**	**Rate of Interest, Collateral, Par or Maturity Value**	**(2)**	
	MainStay	MainStay Cash Reserves Fund I		$ 6,895,356
	MainStay	MainStay ICAP Select Equity I		3,152,112
	PIMCO	PIMCO Total Return Fund (Admin)		1,882,224
	BlackRock	BlackRock LifePath 2020 Inst		1,605,707
	Columbia	Columbia Large Cap Index Z		1,533,610
	MainStay	MainStay Large Cap Growth I		1,188,906
	BlackRock	BlackRock LifePath 2040 Inst		1,161,684
	T Rowe Price	T Rowe Price Mid Cap Grwth Adv		1,122,350
	Janus	Janus Overseas Fund		582,597
	Nuveen	Nuveen Real Estate Sec I		690,750
	Artisan	Artisan Mid Cap Value Fund		815,286
	Perkins	Perkins Small Cap Value S		632,153
	Royce	Royce Value Plus Fund (Serv)		388,228
	BlackRock	BlackRock LifePath 2050 Inst		512,328
	BlackRock	BlackRock LifePath Retire Inst		540,224
	Vanguard	Vanguard S-T Bond Index (Inv)		868,625
	BlackRock	BlackRock LifePath 2030 Inst		368,023
	Harbor	Harbor International Fund Inv		205,696
	Lazard	Lazard Emerging Markets Open		211,703
	American Century	Amer Cent Inflation-Adj Bd Inv		380,330
	BlackRock	BlackRock Natural Resources I		111,106
*	Notes receivable from participants	Various maturity dates with interest rates from 4.25% to 9.25%		821,489
				$ 25,670,487

* Represents a party-in-interest to the Plan as defined by ERISA.

FORM 5500 SCHEDULE H, Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
PLAN YEAR ENDING DECEMBER 31, 2011
LCEC 401(k) PLAN
EIN 59-0329555 - PLAN NUMBER 001
NORTH FORT MYERS, FLORIDA

(A)	(B)	(C)	(D)	(E)
	Identity of Issuer, Borrower,	**Description of Investment Including Maturity Date,**	**Cost**	**Current Value**
(1)	**Lessor or Similar Party**	**Rate of Interest, Collateral, Par or Maturity Value**	**(2)**	
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	Columbia	Columbia Large Cap Index Z		1,533,610
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* Represents a party-in-interest to the Plan as defined by ERISA.