

WALTON COUNTY, GEORGIA

Financial Statements

For the Fiscal Year Ended June 30, 2004

WALTON COUNTY, GEORGIA
Financial Statements
For the Fiscal Year Ended June 30, 2004

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INTRODUCTORY SECTION

WALTON COUNTY, GEORGIA

Principal Officials

Board of Commissioners

2004

Kevin Little	Chairman
Clinton Ayers	Commissioner District 1
Michael Turner	Commissioner District 2
Phil Green	Commissioner District 3
Lamar Palmer	Commissioner District 4
Gerald Atha	Commissioner District 5
John Robinson	Commissioner District 6

Other Elected Officials

Superior Court Judge	Marvin Sorrells John Ott Samuel Ozburn Horace Johnson
District Attorney	Ken Wynne
Chief Magistrate Judge	Kitty Yarbrough
Clerk of Superior Court	Kathy Trost
Coroner	Craig League
Probate Judge	Greg Adams
Sheriff	Al Yarbrough
Tax Commissioner	Patricia Malcom

FINANCIAL SECTION

Treadwell, Jamplin & Co.

Certified Public Accountants

A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

Phone: (706)342-1040
Fax: (706)342-1041

INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Walton County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Walton County, Georgia as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Walton County Health Department, which represent 21% and 96%, respectively, of the assets and revenues of the component unit columns. Those financial 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 Walton County Health Department, is based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Walton County, Georgia as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity with generally accepted accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2004 on our consideration of Walton County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, Retirement Plan – Schedule of Funding Progress and budgetary comparison information on pages I-X and page 35 is not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Walton County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, 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 taken as a whole.

A handwritten signature in cursive script that reads "Treadwell, Tamplin & Co." with a period at the end.

Treadwell, Tamplin & Co., CPA's
December 17, 2004

**WALTON COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004**

Our discussion and analysis of Walton County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the County's financial statements, which begin on page 1 and the Notes to the Financial Statements, which begin on page 16. Additional information about the County is also provided in the Statistical Section, which begins on page 72.

FINANCIAL HIGHLIGHTS

- The County's net assets totaled \$76.8 million for its governmental and business-type activities, an *increase* of \$10.6 million over the previous fiscal year.
- Total combined revenues for governmental and business-type activities were \$50.4 million, an *increase* of \$9.5 million over the previous fiscal year.
- Overall expenses were \$39.9 million, of which governmental activities were \$37.3 and business-type activities were \$2.6 million, an *increase* of \$2.8 million.
- As of June 30, 2004, governmental activities' expenses exceeded program revenue, resulting in the use of \$24.4 million in general revenues (primarily taxes).
- In the County's business-type activities, revenues were \$1.4 million and expenses were \$2.6 million, for an operating loss of approximately \$1.2 million for 2004. This compares with operating losses of \$0.89 million for the prior fiscal year. Operating losses for the County's business-type activities, Solid Waste & Recycling Operations and Emergency Medical Services, are offset by the use of general revenues.
- The General Fund resources available for appropriation were \$1.6 million *more* than originally budgeted, and expenditures were \$1.7 million *more* than originally budgeted. The continuing costs to house County inmates in other Counties while the addition to the Walton County jail is being completed contributed almost \$.76 million to additional expenditures, while road improvement projects delayed until late summer after the close of the fiscal year resulted in underages of close to \$1 million.
- The combined governmental funds' balance as of June 30, 2004 was \$16.9 million, of which the special local option sales tax (SPLOST) Capital Projects Fund comprised \$9.8 million, the General Fund \$5.8 million, and other governmental funds (special revenue, capital projects and debt service) the remaining \$1.3 million.
- The General Fund reported a *decrease* of \$.1 million in unreserved fund balance to \$5.8 million from the prior fiscal year. This compares with an unreserved fund balance of \$5.9 million and an *decrease* of \$.87 million in unreserved fund balance for the prior year. The \$16.9 million *decrease* in the special local option sales tax fund balance results from the use of bond proceeds on construction of the jail addition and the new county administration building, which will be occupied before the end of December 2004.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The *Statement of Net Assets* and the *Statement of Activities* (on pages 1- 3) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. The *Statement of Activities* presents information showing *how* the County's net assets changed during the most recent fiscal year. The governmental fund financial statements start on page 4. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Reporting:

The *Statement of Net Assets* and the *Statement of Activities*

Our analysis of the County as a whole begins on page III. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The *Statement of Net Assets* and the *Statement of Activities* report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the type of accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. You can think of the County's net assets—the difference between assets and liabilities—as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are indicators of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall well being of the County.

In the *Statement of Net Assets* and the *Statement of Activities*, we divide the County into three kinds of activities:

- *Governmental activities*—Most of the County's basic services are reported here, including the public safety, public works, judicial, planning, development and parks departments, as well as general administration. Property taxes, fees, fines, and state and federal grants finance most of these activities.
- *Business-type activities*—The County charges a fee to customers to help it cover the cost of certain services it provides. The County's Emergency Medical Services as well as Solid Waste and Recycling Operations are reported here.
- *Component units*—The County includes three separate legal entities in its report—the Walton County Development Authority, the Walton County Commission on Children & Youth, and the Walton County Health Department. Although legally separate, these "component units" are important because the County is either financially accountable, or may maintain control by means of appointments to the governing boards of these organizations, or may be required by the state to report them as component units. Financial Statements for the County's component units are found beginning on page 13.

Reporting the County's Most Significant Funds

Fund Financial Statements

Our analysis of the County's major funds begins on page VI. The fund financial statements begin on page 4 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required by State law and by bond covenants. However, the County establishes other funds

to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Justice). The County's two kinds of funds—*governmental and proprietary*—use different accounting approaches.

- *Governmental funds*—Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between government-wide information (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental fund information in reconciliations on pages 5 and 7, respectively.
- *Proprietary funds*—When the County charges customers for the services it provides—whether to outside customers or to other units of the County—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Assets* and the *Statement of Activities*. In fact, the County's enterprise funds (a type of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The County's Employee Benefits and Worker's Compensation Funds, used to pay for health care and worker's compensation claims, are included in the proprietary fund group as internal service funds. The proprietary fund statements begin on page 10.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

- *Fiduciary funds*—these funds are used to account for assets held for others. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Assets on page 15 and Statement of Changes beginning on page 69. These agency funds' balances are due to other funds and others as of the fiscal year end. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

NET ASSETS:

The County's *combined* net assets *increased* \$10.6 million from a year ago—from \$66.2 million to \$76.8 million. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County's governmental and business-type activities.

Table 1
Net Assets
(000's Omitted)

	Governmental		Business-type		Total Primary	
	2004	2003	2004	2003	2004	2003
Assets:						
Current assets	\$ 24,161	\$ 37,321	\$ 364	\$ 343	\$ 24,525	\$ 37,664
Restricted assets-non current	-	-	-	-	-	-
Capital assets-net	78,197	57,256	910	838	79,107	58,094
Other assets	3,375	3,375	-	-	3,375	3,375
Total assets	105,733	97,952	1,274	1,181	107,007	99,133
Liabilities:						
Long-term debt outstanding	24,530	30,138	-	-	24,530	30,138
Other liabilities	5,496	2,665	184	97	5,680	2,762
Total liabilities	30,026	32,803	184	97	30,210	32,900
Net Assets:						
Invested in capital assets, net of debt	33,205	47,680	910	838	34,115	48,518
Restricted	514	4,053	-	-	514	4,053
Unrestricted	41,988	13,416	180	246	42,168	13,662
Total net assets	\$ 75,707	\$ 65,149	\$ 1,090	\$ 1,084	\$ 76,797	\$ 66,233

The County's total net assets (governmental and business-type activities) were \$76.8 million as of June 30, 2004. *Unrestricted* net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—were \$42.0 million at the end of this year, as compared with \$13.4 million at the end of the prior year.

The largest portion of the County's net assets (approximately 74%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks) less any debt used to acquire those assets that remains outstanding. The County uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Included in the County's combined current assets of \$24.1 million for governmental activities is \$10.3 million from the proceeds of the Special Local Option Sales Tax Bonds issued December 21, 2001 for construction of a County administration and judicial facility, additions to the County jail and for park and recreation facilities. The jail and administration building projects are expected to be completed by December 2004. The County has also begun development of the 59 acre park donated to the County during the prior fiscal year located in the City of Monroe.

The total net assets of our business-type activities increased slightly (\$1.08 million compared to \$1.09 million) in 2004. Such increases, however, cannot be used to make up for any decrease in governmental activities. The County can only use these net assets to finance the continuing operations of the Solid Waste & Recycling Operations and the Emergency Medical Services.

The County reports positive balances in all categories of net assets for FY 2004.

CHANGES IN NET ASSETS:

The County's total change in net assets was \$10.6 million from the prior fiscal year as a result of its governmental activities and \$0.01 million as a result of its business-type activities.

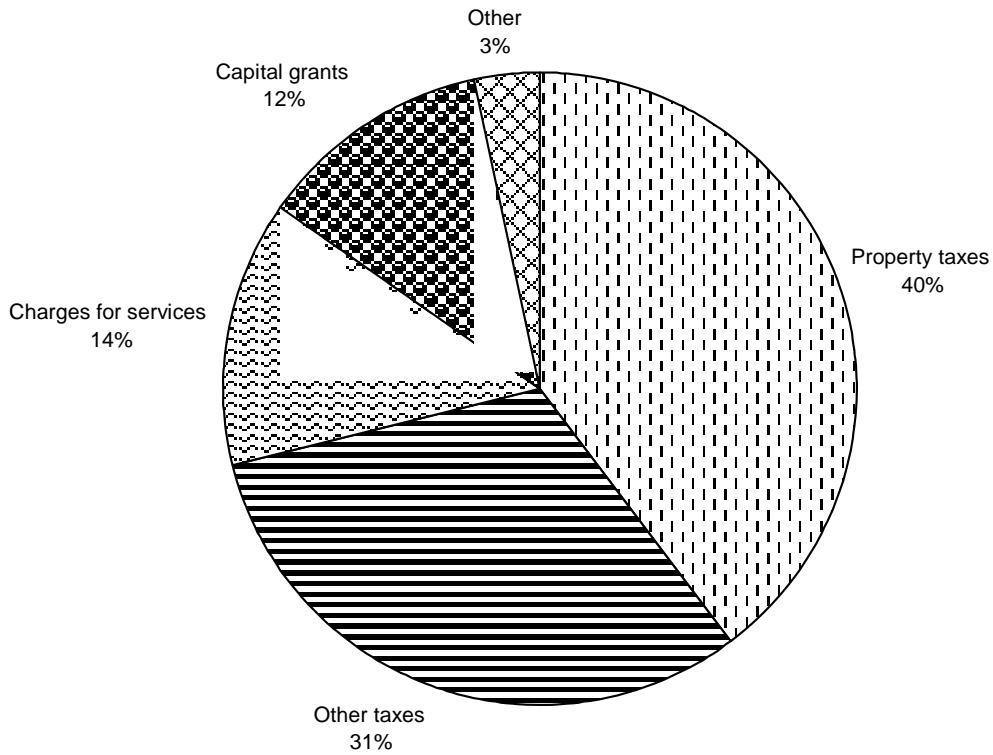
The imposition of a new 1% special local option sales tax beginning on January 1, 2002, which raised \$7.9 million during FY 2004 and \$6 million during FY 2003, resulted in a significant increase again in other tax revenues from the prior fiscal year.

Table 2
Changes in Net Assets
(000's Omitted)

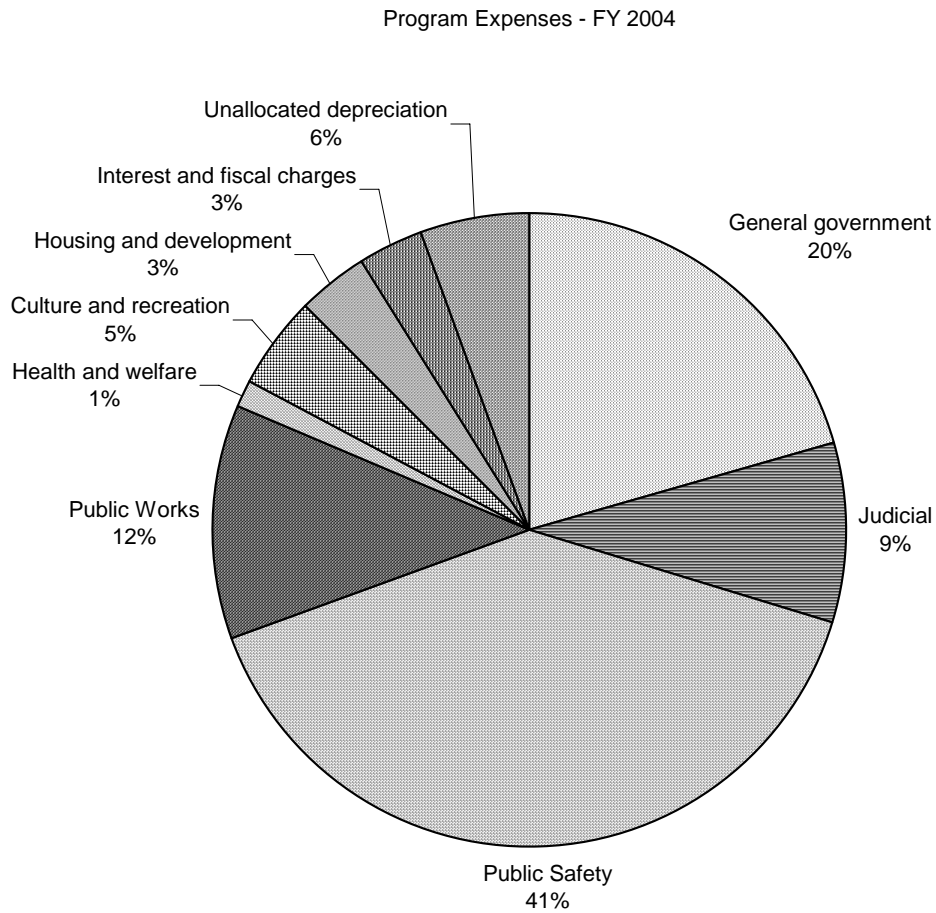
	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	2004	2003	2004	2003	2004	2003
Revenues						
Program revenues:						
Charges for services	\$ 6,721	\$ 6,058	\$ 1,380	\$ 1,522	\$ 8,101	\$ 7,580
Operating grants	398	431	34	99	432	530
Capital grants	5,792	1,831	-	-	5,792	1,831
General revenues:						
Property taxes	19,410	16,904	-	-	19,410	16,904
Other taxes	15,374	12,842	-	-	15,374	12,842
Franchise fees	116	125	-	-	116	125
Investment earnings	364	560	1	1	365	561
Gain /(loss) and other	777	466	8	8	785	474
Total revenues	48,952	39,217	1,423	1,630	50,375	40,847
Program expenses						
General government	7,624	5,257	-	-	7,624	5,257
Judicial	3,413	3,206	-	-	3,413	3,206
Public Safety	14,818	14,254	1,647	1,638	16,465	15,892
Public Works	4,527	5,080	957	877	5,484	5,957
Health and welfare	494	825	-	-	494	825
Culture and recreation	1,786	1,337	-	-	1,786	1,337
Housing and development	1,289	1,232	-	-	1,289	1,232
Interest and fiscal charges	1,231	1,257	-	-	1,231	1,257
Unallocated depreciation	2,087	2,105	-	-	2,087	2,105
Total expenses	37,269	34,553	2,604	2,515	39,873	37,068
Increase (decrease) in net assets before transfers	11,683	4,664	(1,182)	(886)	10,502	3,779
Transfers	(1,187)	(1,113)	1,187	1,113	-	-
Increase (decrease) in net assets	10,496	3,551	6	228	10,502	3,779
Net assets - beginning	65,149	61,408	1,084	856	66,233	62,264
Prior period adjustment	62	190	-	-	62	190
Net assets - beginning, restated	65,211	61,598	1,084	856	66,295	62,454
Net assets - ending	\$ 75,707	\$ 65,149	\$ 1,090	\$ 1,084	\$ 76,797	\$ 66,233

As can be seen from the chart below, approximately 40% of the County's combined total revenue is provided by property taxes, an additional 31% by sales and other taxes, and the remaining 29% by a combination of fees, fines, grants, cash donations and investment income. The County charges fees for services as varied as housing stray animals, disposal of non-recyclables, providing certified copies of documents, issuing building permits, providing emergency medical transport; in addition, the Courts (Superior, Probate, Magistrate & Juvenile) impose fines for violations of laws and ordinances.

Revenue Sources - FY 2004



The County's major expenses, at 41% of the combined total, are clearly in the area of providing services to insure the public safety. Public Safety includes the Sheriff, jail operations, fire protection, emergency medical services, E-911, coroner, animal control, and emergency management. Increased spending in the area of Culture and Recreation during FY 2004 is the result of a new and very successful county-wide park and recreation department, involving several thousand youth in softball, basketball, cheerleading, summer camp, football and soccer programs, which began August 2002. The County continually assesses the condition of its infrastructure and engages in systematic preventive maintenance as well as improvements on the 691 miles of county-maintained roads. The County again added 16 new subdivisions during FY 2004, totaling almost 5 miles of roads. Average lot size remains slightly more than 1 acre.



THE COUNTY'S FUNDS

Walton County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The objective of the County's governmental funds is to provide information on short-term activity and balances of spendable resources. Such information is useful in assessing the County's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. It should be noted, however, that the County's major revenue source—property taxes on real property—are only received once a year, approximately six months after the close of the fiscal year. The fund balance at the close of any fiscal year should be large enough to provide adequate financial resources until the next fiscal year's taxes are received.

The County ended the 2004 fiscal year with a balance of \$16.9 million in its governmental funds. Of this, virtually all was unreserved. A small amount in the current fiscal year is reserved for inventories, encumbrances, and non-current assets.

Major Funds:

General Fund

The General Fund is the operating fund of the County. At the end of the current year, the fund unreserved balance was \$5.8 million, which is available for spending in the coming year. As a measure of liquidity, it may be useful to compare the unreserved fund balance to the sum of total expenditures for the General Fund and total other financing uses. The *unreserved* General Fund balance represents 17.5% of that total.

The fund balance in the general fund *decreased* \$0.1 million during FY 2004. Increased tax revenues from new development provided the bulk of the increase in revenues and 2003 tax digest reassessments, as the County millage rate decreased marginally for 2004 property taxes. Although the local economy has recovered significantly since September 11, 2001, County offices continued to make a concerted effort to improve efficiencies in providing necessary services. Additional information about the General Fund can be found in Exhibit 1, pages 36-42.

Special Local Option Sales Tax (SPLOST) Capital Projects Fund

The SPLOST Fund was established to account for the proceeds of the special five-year, one-cent sales tax and projects approved by the voters on September 18, 2001 for up to \$43.7 million. The voters also approved a \$27.8 million general obligation sales tax bond in conjunction with the SPLOST building and park facility projects. The allocations of 2002-2006 SPLOST G/O bond proceeds are:

- \$15.3 million for a 160,000 square-foot County Administration and Judicial building
- \$7.5 million for additions to the County jail to house an additional 210 prisoners
- \$5 million for additional parks and recreation facilities

In addition, the voters approved use of SPLOST revenues for up to:

- \$8.3 million for road and bridge improvements

Capital outlay on the projects for the buildings and park facilities was \$17.9 million for the fiscal year, for approximately 64% expended by the end of the fiscal year of the total bonded for SPLOST. The SPLOST fund balance was \$9.9 million at the close of FY 2004. Additional information on the SPLOST Capital Projects Fund can be found in Exhibit 2, page 43.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from government resources and lease principal and interest when the County is obligated for the payment. The Debt Service fund assets were \$0.60 million; liabilities were \$0.09 million and fund balance was \$0.51 million at the close of FY 2004.

Other Governmental Funds:

Combined assets were \$1.1 million; liabilities \$0.37 million; and unreserved fund balance was almost \$.76 million for the year ended June 30, 2004. These totals are a combination of the following:

Special Revenue Funds

The County uses special revenue funds to account for the collection and disbursement of revenues that are legally restricted to expenditures for specific purposes. Included in this classification are:

- 911 Emergency Communications Fund
- DARE Fund
- Forfeited Drug Fund
- Seized Drug Fund
- Law Library Fund
- Crime Victim's Assistance Fund
- Drug Abuse Treatment & Education Fund
- Clerk's Authority Fund
- Juvenile Supplemental Services Fund
- Multiple Grant Fund
- Greenspace Fund
- Sheriff's Department Special Revenue Fund

Combined total assets of the above funds were \$1.1 million as of June 30, 2004; liabilities \$0.37 million and unreserved fund balances were almost \$.76 million.

Capital Projects Funds

The funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. The County's sole construction project not accounted for in the Special Local Option Sales Tax fund is a new senior citizens center in Monroe. This project has a fund balance of \$5,000.

Proprietary Funds

The County reports two business-type activities as proprietary funds: Solid Waste and Recycling Operations and Emergency Medical Services. The County's shortfall in its Solid Waste & Recycling Operations contributed approximately \$0.61 million, (or 49 %) to the business-type activities operating loss, while Emergency Medical Services contributed the remaining \$0.62 million, (or 51%). This compares with an operating loss for the prior fiscal year of \$0.55 million for Solid Waste & Recycling Operations and \$0.43 million for operating losses on ambulance services for the prior year. The County began providing Emergency Medical Services on July 1, 2001. Operating losses in these two business-type activities are offset by the use of general revenues.

The County's two internal service funds for employee health care and worker's compensation claims had assets of \$1.5 million; liabilities of \$0.24 million; and unreserved fund balances totaling \$1.3 million.

More detailed information about the County's proprietary funds can be found beginning on page 10.

Fiduciary Funds

These agency funds' balances are due to other funds and others as of the fiscal year end. Additional information is available on pages 70-72 of the Combining and Individual Fund Statements and Schedules Section. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary funds assets and liabilities are \$0.31 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level. The most significant budget is that of the General Fund. The Board of Commissioners amends this budget throughout the fiscal year. The most significant increases (\$.90 million) in budget line items were for expenses related to Sheriff and jail operations: housing inmates in other County jails; the costs of providing inmate medical care; the costs of providing Court services; and increased police services for municipalities only partially offset by additional fees. The County completed construction of a new work-release facility that was used to house inmates beginning in February 2003 to provide 60 additional beds for non-violent inmates and increased the hours and services of medical services included in the jail medical services contract for FY 2004. The 284-bed jail addition is expected to be occupied by early January 2005.

Although the County's final revenue and expenditure budgets increased \$1.6 and \$1.7 million, respectively, the both original and the final budgets projected virtually no increase in fund balance. The actual revenues and expenditures resulted in a \$.09 million *decrease* in fund balance on the GAAP basis. . The Board of Commissioners exerts considerable control over expenditures during the course of the fiscal year and continually seeks more efficient and cost effective means for providing necessary services.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2004 amounts to \$79.1 million, net of accumulated depreciation of \$103 million. This investment in capital assets includes land, site improvements, construction-in-progress, buildings and building improvements, equipment, and, beginning with fiscal year 2002, infrastructure.

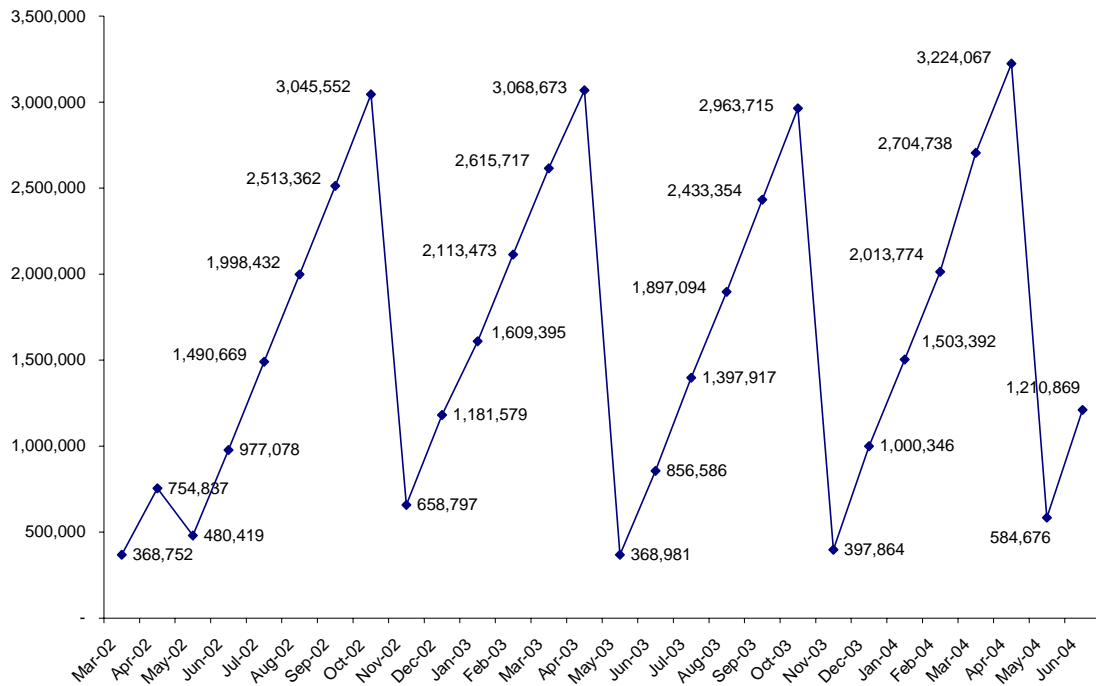
Infrastructure assets (roads, bridges, curbs, gutters, storm drains, and so forth.) are items that have not heretofore been considered assets at all by this County, having been viewed as immovable, without a market in which they could be sold, without readily determinable current values, possessed of both erratic and unpredictable useful lives, subject to continual acts of God (and man), and of indeterminable salvage value, at best.

Total capital assets, as restated, net of additions, retirements and depreciation, increased \$20.9 million for governmental activities and \$.07 million for business-type activities. Depreciation expense for the governmental activities for the period was \$3.7 million, of which \$2.1 million was for infrastructure and \$.75 million for business-type activities. Additional information on Capital Assets can be found in Note 4 of the *Notes to the Financial Statements*, beginning on page 23.

Long-term Debt

As of June 30, 2004, Walton County had \$24.5 million in outstanding debt principal, of which \$7.3 million is due within one year. Of the debt due within one year, \$6.2 million represents principal payments on the \$27,880,000 General Obligation Special Local Option Sales Tax Bonds issued December 21, 2001. Standard and Poor's assigned this bond issue a "AAA" rating. County's revenues on SPLOST for sales taxes collected beginning January 1, 2002 through June 30, 2004 were \$14.5 million. It is expected that the County will be able to make the debt service payments for the sales tax bond with special sales tax revenues during the next fiscal year. The graph below illustrates the coverage of the semi-annual debt service payments by Special Local Option Sales Tax receipts.

SPLOST Sales Tax Receipts Less Debt Service Payments



The County issued no new bonds during the fiscal year.

The Board of Commissioners sets rigorous standards for sound financial management of the County, regularly considering the needs of the community in light of the costs to provide for those needs and the various sources of funding available. County employees did not receive cost of living or merit increases during FY 2004.

The Commissioners annually adopts a balanced budget, sets the millage rate to provide general revenues to cover the costs of all county programs that are not covered by specific program revenues, maintains an adequate unreserved general fund balance, and adopts such financial policies as enhance their ability to maintain a safe and sound financial structure for the County. The citizens have responded positively to these efforts by stepping forward to donate valuable land for County parks in the current period. Additional information about the County's long-term debt can be found in Note 6 of the *Notes to the Financial Statements*, beginning on page 25.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2004 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The months following the terrorist attacks on the World Trade Center were very difficult ones for most areas. Walton County government has perhaps fared better than most since it has been able to finance necessary government services primarily with taxes. As development has occurred, the tax digest has also increased, and the county has been able to maintain satisfactory levels of service to its citizens by holding the millage rate relatively constant.

The Commissioners actively participate in regional planning with State and Federal agencies, neighboring counties and the counties in the Atlanta metropolitan area, as well as with the municipalities within the County to maximize services to our citizens and minimize the costs of providing those services.

Growth will undoubtedly bring increased demands on existing infrastructure, water supply, and wastewater treatment and solid waste disposal.

The Board of Commissioners is dedicated to planning and preparing for growth, and adopted a revised Comprehensive Land Use Plan during 2004.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Walton County Finance Department, at 303 South Hammond Drive, Suite 333 Monroe, Georgia 30655, or call 770-267-1301.

Basic Financial Statements

WALTON COUNTY, GEORGIA
Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Total Component Units</u>
Assets				
Cash	\$ 9,288,115	\$ -	\$ 9,288,115	\$ 1,480,411
Pooled cash and investments	8,805,428	-	8,805,428	-
Investments, plus accrued interest	2,079,836	-	2,079,836	-
Accounts receivable, net	888,084	363,633	1,251,717	35,086
Taxes receivable, net	456,532	-	456,532	-
Due from other governments	2,391,077	-	2,391,077	36,913
Inventories and prepaid expenses	78,466	356	78,822	-
Deferred charges	172,904	-	172,904	-
Capital assets, net	78,197,096	909,781	79,106,877	3,326,671
Other assets	3,375,000	-	3,375,000	-
Total assets	<u>105,732,538</u>	<u>1,273,770</u>	<u>107,006,308</u>	<u>4,879,081</u>
Liabilities				
Accounts payable	3,916,967	38,807	3,955,774	27,483
Due to other governments	-	-	-	-
Salaries and benefits payable	1,285,588	144,781	1,430,369	-
Bond premium	203,864	-	203,864	751,549
Accrued interest	88,982	-	88,982	-
Long-term liabilities:				
Portion due or payable within one year:				
Bonds and notes payable	6,571,931	-	6,571,931	-
Capital leases	643,830	-	643,830	-
Compensated absences	80,920	-	80,920	-
Portion due or payable after one year:				
Bonds and notes payable	15,482,461	-	15,482,461	1,950,000
Capital leases	926,533	-	926,533	-
Compensated absences	824,516	-	824,516	107,647
Total liabilities	<u>30,025,592</u>	<u>183,588</u>	<u>30,209,180</u>	<u>2,836,679</u>
Net assets				
Invested in capital assets, net of related debt	33,205,084	909,781	34,114,865	45,740
Restricted for:				
Capital projects	5,000	-	5,000	-
Debt service	509,089	-	509,089	-
Unrestricted	41,987,773	180,401	42,168,174	1,996,662
Total net assets	<u>\$ 75,706,946</u>	<u>\$ 1,090,182</u>	<u>\$ 76,797,128</u>	<u>\$ 2,042,402</u>

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

WALTON COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2004

Activities:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental:								
General government	\$7,624,351	\$ 1,471,700	\$ 39,871	\$ 5,779,420	\$ (333,360)	\$ -	\$ (333,360)	\$ -
Judicial	3,413,256	1,889,973	125,886	-	(1,397,397)	-	(1,397,397)	-
Public safety	14,817,386	1,910,755	209,500	12,387	(12,684,744)	-	(12,684,744)	-
Public works	4,527,325	44,521	-	500	(4,482,304)	-	(4,482,304)	-
Health and welfare	493,529	18,200	-	-	(475,329)	-	(475,329)	-
Culture and recreation	1,786,470	303,617	22,441	-	(1,460,412)	-	(1,460,412)	-
Housing and development	1,288,861	1,081,870	-	-	(206,991)	-	(206,991)	-
Interest and fiscal charges	1,230,550	-	-	-	(1,230,550)	-	(1,230,550)	-
Unallocated depreciation expense **	2,087,243	-	-	-	(2,087,243)	-	(2,087,243)	-
Total governmental activities	37,268,971	6,720,636	397,698	5,792,307	(24,358,330)	-	(24,358,330)	-
Business-type:								
Solid waste	956,652	348,460	34,256	-	-	(573,936)	(573,936)	-
EMS	1,648,131	1,031,863	-	-	-	(616,268)	(616,268)	-
Total business-type activities	2,604,783	1,380,323	34,256	-	-	(1,190,204)	(1,190,204)	-
Component units:								
Walton Co. Dev. Authority	341,239	-	-	-	-	-	-	(341,239)
Walton Co. Comm. on Children & Youth	65,072	-	57,804	-	-	-	-	(7,268)
Walton Co. Health Department	1,511,592	-	1,540,336	-	-	-	-	28,744
Total component units	1,917,903	-	1,598,140	-	-	-	-	(319,763)

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

WALTON COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2004

<u>Activities:</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			<u>Component Units</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
General revenues:								
Taxes								
Property taxes, levied for general purposes					19,409,675	-	19,409,675	-
Sales tax					12,181,218	-	12,181,218	-
Franchise fees					115,999	-	115,999	-
Other taxes					3,192,768	-	3,192,768	-
Intergovernmental revenues					604,884	-	604,884	1,055,071
Investment earnings					364,186	318	364,504	6,258
Miscellaneous					1,233	-	1,233	-
Gain/(Loss) on the sale of capital assets					171,178	9,246	180,424	(29,884)
Transfers					(1,186,883)	1,186,883	-	-
Total general revenues and transfers					<u>34,854,258</u>	<u>1,196,447</u>	<u>36,050,705</u>	<u>1,031,445</u>
			Change in net assets		<u>10,495,928</u>	<u>6,243</u>	<u>10,502,171</u>	<u>711,682</u>
Net assets - beginning					<u>65,149,008</u>	<u>1,083,939</u>	<u>66,232,947</u>	<u>1,330,720</u>
Prior period adjustment					<u>62,010</u>	<u>-</u>	<u>62,010</u>	<u>-</u>
Net assets - beginning, restated					<u>65,211,018</u>	<u>1,083,939</u>	<u>66,294,957</u>	<u>1,330,720</u>
Net assets - ending					<u><u>\$75,706,946</u></u>	<u><u>\$1,090,182</u></u>	<u><u>\$76,797,128</u></u>	<u><u>\$2,042,402</u></u>

** This amount excludes the depreciation that is included in the direct expenses of the various programs.

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

WALTON COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2004

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>SPLOST Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash	\$ 6,467,199	\$ -	\$ 1,822,977	\$ 1,053,145	\$ 9,343,321
Pooled cash and investments	290,806	-	8,514,621	-	8,805,427
Investments, plus accrued interest	-	598,071	-	36,027	634,098
Taxes receivable, net	456,532	-	-	-	456,532
Internal balances	(788,010)	-	801,235	5,543	18,768
Due from other governments	956,388	-	1,405,919	28,770	2,391,077
Due from others	882,937	-	-	5,147	888,084
Inventories	78,466	-	-	-	78,466
Total assets	<u>\$ 8,344,318</u>	<u>\$ 598,071</u>	<u>\$12,544,752</u>	<u>\$ 1,128,632</u>	<u>\$22,615,773</u>
Liabilities and fund balance					
Liabilities:					
Accounts payable	\$ 845,508	\$ -	\$ 2,690,293	\$ 60,535	\$ 3,596,336
Internal balances	-	-	-	18,767	18,767
Due to other funds	-	-	-	-	-
Due to others	-	-	-	247,491	247,491
Accrued interest	-	88,982	-	-	88,982
Salaries and benefits payable	1,322,940	-	-	43,568	1,366,508
Deferred revenue	343,306	-	-	-	343,306
Total liabilities	<u>2,511,754</u>	<u>88,982</u>	<u>2,690,293</u>	<u>370,361</u>	<u>5,661,390</u>
Fund balances:					
Reserved for:					
Inventories	78,466	-	-	-	78,466
Encumbrances	-	-	-	-	-
Noncurrent assets	1,074	-	-	-	1,074
Unreserved	5,753,024	509,089	9,854,459	-	16,116,572
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	753,271	753,271
Capital project funds	-	-	-	5,000	5,000
Total fund balances	<u>5,832,564</u>	<u>509,089</u>	<u>9,854,459</u>	<u>758,271</u>	<u>16,954,383</u>
Total liabilities and fund balance	<u>\$ 8,344,318</u>	<u>\$ 598,071</u>	<u>\$12,544,752</u>	<u>\$ 1,128,632</u>	<u>\$22,615,773</u>

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

WALTON COUNTY, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total *fund* balances for governmental funds (Exhibit C) \$ 16,954,383

Total *net assets* reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 22,988,553	
Construction in progress	21,001,715	
Historical artifacts	11,000	
Land improvements, net of \$327,902 of accumulated depreciation	979,966	
Infrastructure, net of \$85,712,751 of accumulated depreciation	16,355,751	
Buildings and improvements, net of \$6,524,524 of accumulated depreciation	13,196,622	
Equipment, net of \$10,684,535 of accumulated depreciation	3,663,491	
Total capital assets		78,197,098

Other assets - Investment in Joint Venture - are not financial resources and therefore are not reported in the funds. 3,375,000

Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 343,306

Internal services funds are used by management to charge the costs of health insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets 1,317,391

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at June 30, 2004 are:

Certificates of participation	(1,420,000)	
Bonds and notes payable	(20,634,392)	
Capital leases	(1,570,364)	
Compensated absences	(824,517)	
Deferred amount on refunding	172,905	
Unamortized premiums	(203,864)	
Total long-term liabilities		(24,480,232)

Total net assets of governmental activities \$ 75,706,946

WALTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	General Fund	Debt Service Fund	SPLOST Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 27,562,309	\$ -	\$ 7,238,912	\$ -	\$ 34,801,221
Licenses and permits	934,040	-	-	-	934,040
Intergovernmental revenue	272,242	-	-	462,021	734,263
Charges for services	3,431,576	-	-	962,035	4,393,611
Fines and forfeitures	1,201,959	-	-	157,333	1,359,292
Investment income	86,492	24,702	225,304	5,725	342,223
Contributions and donations	22,957	-	-	40,254	63,211
Miscellaneous	205,803	-	615	102,168	308,586
Total revenues	<u>33,717,378</u>	<u>24,702</u>	<u>7,464,831</u>	<u>1,729,536</u>	<u>42,936,447</u>
Expenditures					
Current:					
General government	5,868,776	701,520	-	847,849	7,418,145
Judicial	3,456,617	-	-	65,022	3,521,639
Public safety	13,355,866	-	-	1,348,853	14,704,719
Public works	5,134,456	-	-	-	5,134,456
Health and welfare	491,650	-	-	-	491,650
Culture and recreation	1,760,775	-	-	-	1,760,775
Housing and development	1,339,472	-	-	-	1,339,472
Debt service:					
Principal payments	-	6,695,136	-	-	6,695,136
Interest and fiscal charges	-	1,238,188	-	-	1,238,188
Capital outlay	-	-	17,874,216	76,118	17,950,334
Total expenditures	<u>31,407,612</u>	<u>8,634,844</u>	<u>17,874,216</u>	<u>2,337,842</u>	<u>60,254,514</u>
Excess of revenues over (under) expenditures	<u>2,309,766</u>	<u>(8,610,142)</u>	<u>(10,409,385)</u>	<u>(608,306)</u>	<u>(17,318,067)</u>
Other financing sources (uses)					
Capital leases	870,680	-	-	-	870,680
Sale of capital assets	184,470	-	-	-	184,470
Transfers in	2,902,285	8,660,059	-	1,981,790	13,544,134
Transfers (out)	(6,357,358)	-	(6,489,256)	(1,884,402)	(14,731,016)
Total other financing sources (uses)	<u>(2,399,923)</u>	<u>8,660,059</u>	<u>(6,489,256)</u>	<u>97,388</u>	<u>(131,732)</u>
Net change in fund balances	(90,157)	49,917	(16,898,641)	(510,918)	(17,449,799)
Fund balances - beginning	<u>5,922,721</u>	<u>456,153</u>	<u>26,753,100</u>	<u>1,210,198</u>	<u>34,342,172</u>
Prior period adjustment	-	3,019	-	58,991	62,010
Fund balances - beginning, restated	<u>5,922,721</u>	<u>459,172</u>	<u>26,753,100</u>	<u>1,269,189</u>	<u>34,404,182</u>
Fund balances - ending	<u>\$ 5,832,564</u>	<u>\$ 509,089</u>	<u>\$ 9,854,459</u>	<u>\$ 758,271</u>	<u>\$ 16,892,373</u>

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

WALTON COUNTY, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Net Activities
For the Fiscal Year Ended June 30, 2004

Net change in *fund* balances - total governmental funds \$ (17,449,799)

The change in *net assets* reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$19,043,752) exceeded depreciation (\$3,738,375) in the current period. 15,305,377

In governmental funds, capital assets are not recorded in the fund. Thus, a disposal of an asset has no effect in the governmental fund, other than recording of the proceeds, if any, from the sale. However, the statement of activities recognizes a gain or loss related to the disposal of the asset. Thus, the change in net assets differs from the change in fund balance by the net basis (cost less accumulated depreciation) of the capital assets sold/disposed. (142,422)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Repayments:

To bond, certificate, and note holders	5,980,585	
		5,980,585

Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. (870,680)

Capital lease payments are reported as expenditures in the governmental funds, but reduces the liability in the statement of net assets. 714,551

Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. 5,779,420

Internal service funds are used by management to charge the costs of health and workers' compensation insurance to individual funds. The net revenue of the internal service funds is reported with governmental activities. 1,260,546

Governmental funds defer all tax revenues not collected within 60 days of year end. However, the statement of activities uses the accrual method and, thus, the entire amount is recognized as revenue, regardless of the collection date. 42,156

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	(136,617)	
Amortization of debt premium and issuance costs	12,811	
		(123,806)

Change in net assets of governmental activities \$ 10,495,928

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

WALTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 26,653,109	\$ 27,562,309	\$ 27,562,309	\$ -
Licenses and permits	756,492	934,040	934,040	-
Intergovernmental revenue	157,095	272,242	272,242	-
Charges for services	2,984,555	3,431,576	3,431,576	-
Fines and forfeitures	1,348,654	1,201,959	1,201,959	-
Investment income	101,305	86,492	86,492	-
Contributions and donations	-	22,957	22,957	-
Miscellaneous	123,410	205,803	205,803	-
Total revenues	<u>32,124,620</u>	<u>33,717,378</u>	<u>33,717,378</u>	<u>-</u>
Expenditures				
Current:				
General government:				
Governing body	126,035	126,583	126,583	-
Clerk of commission	101,441	80,307	80,307	-
Commission chair	151,604	149,608	149,608	-
Board of elections/registrations	191,018	172,827	172,827	-
Financial administration	447,966	439,328	439,328	-
County attorney	61,000	150,075	150,075	-
Information technology	356,444	303,686	303,686	-
Human resources	232,469	223,374	223,374	-
Tax commissioner	545,872	568,872	568,872	-
Board of equalization	33,564	28,968	28,968	-
Tax assessor	659,472	654,935	654,935	-
Risk management	784,199	1,661,994	1,661,994	-
County facilities	1,240,751	1,199,806	1,199,806	-
Customer service	27,065	30,893	30,893	-
General administration fees	108,036	77,520	77,520	-
Judicial				
Superior court	437,032	484,765	484,765	-
Clerk of superior court	726,868	757,325	757,325	-
District attorney	485,008	529,444	529,444	-
Magistrate court	301,056	288,657	288,657	-
Probate court	407,771	431,592	431,592	-
Juvenile court	608,439	590,562	590,562	-
Public defender	388,561	374,272	374,272	-
Public safety				
Sheriff	660,524	739,519	739,519	-
Law enforcement administration	693,730	740,218	740,218	-
Criminal investigation	559,753	571,923	571,923	-
Uniformed patrol	2,167,641	2,286,794	2,286,794	-
Youth Investigation	473,042	473,124	473,124	-
Jail operations	3,414,026	4,171,045	4,171,045	-
Court services	947,645	1,091,309	1,091,309	-
Dispatcher	179,670	179,025	179,025	-
Fire administration	\$ 129,963	\$ 185,486	\$ 185,486	\$ -

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

WALTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public safety				
Fire fighting	\$ 2,076,225	\$ 2,275,660	\$ 2,275,660	\$ -
Fire training	31,500	23,904	23,904	-
Stations and buildings	129,556	138,356	138,356	-
Coroner	32,006	38,673	38,673	-
Animal control	333,100	352,457	352,457	-
Emergency management	108,282	88,373	88,373	-
Public works				
Highways and streets administration	112,345	109,180	109,180	-
Roadways and walkways	4,128,689	3,937,930	3,937,930	-
Unpaved streets	466,297	170,917	170,917	-
Other maintenance	48,248	36,159	36,159	-
Bridges	100,000	-	-	-
Traffic engineering	885,939	533,534	533,534	-
Maintenance and shop	391,560	346,736	346,736	-
Health and welfare				
Health centers	260,216	252,994	252,994	-
Intergovernmental welfare payments	63,000	63,456	63,456	-
Other vendor payments	1,000	1,000	1,000	-
Community services	174,200	174,200	174,200	-
Culture and recreation				
Recreation	617,517	680,263	680,263	-
Park areas	667,272	851,012	851,012	-
Libraries	229,500	229,500	229,500	-
Housing and development				
Agricultural resources	140,439	132,727	132,727	-
Forest resources	47,719	49,226	49,226	-
Protective inspection	390,118	453,768	453,768	-
Planning and zoning	433,719	478,768	478,768	-
Economic development	213,546	213,546	213,546	-
Total expenditures	<u>29,737,740</u>	<u>31,407,612</u>	<u>31,407,612</u>	<u>-</u>
Excess of revenues over expenditures	2,386,880	2,309,766	2,309,766	-
Other financing sources (uses)				
Capital leases	-	874,726	870,680	(4,046)
Proceeds of general fixed asset dispositions	-	-	184,470	184,470
Transfers in	3,524,402	1,154,705	2,902,285	1,747,580
Transfers (out)	<u>(6,445,118)</u>	<u>(5,035,250)</u>	<u>(6,357,358)</u>	<u>(1,322,108)</u>
Total other financing sources (uses)	<u>(2,920,716)</u>	<u>(3,005,819)</u>	<u>(2,399,923)</u>	<u>605,896</u>
Net change in fund balances	(533,836)	(696,053)	(90,157)	605,896
Fund balance - beginning	<u>5,783,166</u>	<u>4,756,331</u>	<u>5,922,721</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,249,330</u>	<u>\$ 4,060,278</u>	<u>\$ 5,832,564</u>	<u>\$ 605,896</u>

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

WALTON COUNTY, GEORGIA
Statement of Net Assets
Proprietary Funds
June 30, 2004

	Business-type Activities			Governmental
	Solid Waste	EMS	Total	Activities
	Fund	Fund		Internal
				Service
				Funds
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 109,132
Investments	-	-	-	1,445,738
Accounts receivable	-	938,038	938,038	-
Allowance for uncollectibles	-	(574,405)	(574,405)	-
Inventory	356	-	356	-
Total current assets	<u>356</u>	<u>363,633</u>	<u>363,989</u>	<u>1,554,870</u>
Capital assets				
Land	372,370	-	372,370	-
Buildings	294,286	-	294,286	-
Machinery and equipment	1,045,138	296,561	1,341,699	-
	1,711,794	296,561	2,008,355	-
Less: accumulated depreciation	(939,186)	(159,388)	(1,098,574)	-
Net capital assets	<u>772,608</u>	<u>137,173</u>	<u>909,781</u>	<u>-</u>
Total assets	<u>772,964</u>	<u>500,806</u>	<u>1,273,770</u>	<u>1,554,870</u>
Liabilities				
Current liabilities				
Bank overdraft	-	-	-	164,338
Accounts payable	19,785	19,022	38,807	73,141
Accrued expenses	45,836	98,945	144,781	-
Total liabilities	<u>65,621</u>	<u>117,967</u>	<u>183,588</u>	<u>237,479</u>
Net assets				
Invested in capital assets, net of related debt	772,608	137,173	909,781	-
Unrestricted	(65,265)	245,666	180,401	1,317,391
Total net assets	<u>\$ 707,343</u>	<u>\$ 382,839</u>	<u>\$ 1,090,182</u>	<u>\$ 1,317,391</u>

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

WALTON COUNTY, GEORGIA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2004

	<u>Solid Waste Fund</u>	<u>EMS Fund</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
Revenues				
Licenses and permits	\$ 3,000	\$ -	\$ 3,000	\$ -
Charges for services	345,460	1,018,330	1,363,790	-
Miscellaneous income	-	13,533	13,533	4,494,928
Total operating revenues	<u>348,460</u>	<u>1,031,863</u>	<u>1,380,323</u>	<u>4,494,928</u>
Expenses				
Personal services	707,860	1,422,037	2,129,897	3,349,583
Purchased/contracted services	138,981	37,374	176,355	-
Supplies	65,500	100,689	166,189	-
Depreciation and amortization	44,311	46,131	90,442	-
Other costs	-	41,900	41,900	-
Total operating expenses	<u>956,652</u>	<u>1,648,131</u>	<u>2,604,783</u>	<u>3,349,583</u>
Operating loss	<u>(608,192)</u>	<u>(616,268)</u>	<u>(1,224,460)</u>	<u>1,145,345</u>
Nonoperating revenues				
Grants	34,256	-	34,256	-
Net increase in fair value of investments	-	-	-	(7,058)
Interest earned	66	252	318	21,348
Loss on sale of asset	14,625	(5,379)	9,246	-
Total nonoperating revenues	<u>48,947</u>	<u>(5,127)</u>	<u>43,820</u>	<u>14,290</u>
Loss before operating transfers and contributions	<u>(559,245)</u>	<u>(621,395)</u>	<u>(1,180,640)</u>	<u>1,159,635</u>
Transfers out	(255,330)	(762,551)	(1,017,881)	-
Transfers in	843,513	1,361,251	2,204,764	100,911
Change in net assets	28,938	(22,695)	6,243	1,260,546
Total net assets - beginning	<u>678,405</u>	<u>405,534</u>	<u>1,083,939</u>	<u>56,845</u>
Total net assets - beginning, as restated	<u>678,405</u>	<u>405,534</u>	<u>1,083,939</u>	<u>56,845</u>
Total net assets - ending	<u>\$ 707,343</u>	<u>\$ 382,839</u>	<u>\$ 1,090,182</u>	<u>\$ 1,317,391</u>

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

WALTON COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2004

	<u>Solid Waste Fund</u>	<u>EMS Fund</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
Cash flows from operating activities:				
Cash sales to customers	\$ 348,460	\$ 953,646	\$ 1,302,106	\$ -
Cash payments to suppliers for goods and services	(188,206)	(128,525)	(316,731)	(3,800,103)
Cash from interfund services provided	-	-	-	4,494,928
Cash payments to employees for services	(685,689)	(1,368,463)	(2,054,152)	-
Net cash used by operating activities	<u>(525,435)</u>	<u>(543,342)</u>	<u>(1,068,777)</u>	<u>694,825</u>
Cash flows from noncapital financing activities:				
Increase (decrease) in due to other funds	(50,000)	-	(50,000)	-
Transfers from other funds	84,256	598,700	682,956	100,911
Transfer (to) other funds	588,183	-	588,183	-
Net cash provided by noncapital financing activities	<u>622,439</u>	<u>598,700</u>	<u>1,221,139</u>	<u>100,911</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(116,694)	(55,609)	(172,303)	-
Disposal of capital assets	5,000	-	5,000	-
Proceeds from sale of capital assets	14,625	-	14,625	-
Net cash used by capital and related financing activities	<u>(97,069)</u>	<u>(55,609)</u>	<u>(152,678)</u>	<u>-</u>
Cash flows from investing activities:				
Net investment income	65	251	316	14,290
Net cash provided by investing activities	<u>65</u>	<u>251</u>	<u>316</u>	<u>14,290</u>
Net decrease in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>810,026</u>
Cash and cash equivalents, July 1	-	-	-	744,843
Cash and cash equivalents, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,554,869</u>
Reconciliation of operating loss to net cash used by operating activities:				
Operating loss	\$ (608,192)	\$ (616,268)	\$ (1,224,460)	\$ 1,145,345
Adjustments to reconcile operating income to net cash used by operating activities:				
Depreciation	44,311	46,131	90,442	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	7,809	(36,317)	(28,508)	-
(Increase) decrease in inventory	7,627	-	7,627	-
Increase (decrease) in accounts payable	839	9,537	10,376	(261,502)
Increase (decrease) in salaries payable	22,171	53,575	75,746	-
Increase (decrease) in bank overdraft	-	-	-	(189,018)
Total adjustments	<u>82,757</u>	<u>72,926</u>	<u>155,683</u>	<u>(450,520)</u>
Net cash used by operating activities	<u>\$ (525,435)</u>	<u>\$ (543,342)</u>	<u>\$ (1,068,777)</u>	<u>\$ 694,825</u>

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

WALTON COUNTY, GEORGIA
Statement of Net Assets
Component Units
As of June 30, 2004

	<u>Development Authority</u> June 30, 2004	<u>Walton County Commission on Children & Youth</u> June 30, 2004	<u>Health Department</u> June 30, 2004	<u>Totals</u>
Assets				
Cash	\$ 545,988	\$ 16,061	\$ 918,362	\$ 1,480,411
Accounts receivable	-	-	35,086	35,086
Due from other governments	-	12,385	24,528	36,913
Capital assets, net	3,280,931	-	45,740	3,326,671
Total assets	<u>3,826,919</u>	<u>28,446</u>	<u>1,023,716</u>	<u>4,879,081</u>
Liabilities				
Accounts payable	-	-	27,483	27,483
Long term portion of bonds payable	1,950,000	-	-	1,950,000
Compensated absences payable	-	-	107,647	107,647
Deferred income - current year fees	-	-	751,549	751,549
Total liabilities	<u>1,950,000</u>	<u>-</u>	<u>886,679</u>	<u>2,836,679</u>
Net assets				
Invested in capital assets, net of related debt	-	-	45,740	45,740
Unrestricted	1,876,919	28,446	91,297	1,996,662
Total net assets	<u>\$ 1,876,919</u>	<u>\$ 28,446</u>	<u>\$ 137,037</u>	<u>\$ 2,042,402</u>

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

WALTON COUNTY, GEORGIA
Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2004

<u>Activities:</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and</u> <u>Changes in Net Assets</u>			<u>Total</u>
		<u>Fees, Fines and</u> <u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Development</u> <u>Authority</u>	<u>Commission on</u> <u>Children &</u> <u>Youth</u>	<u>Health</u> <u>Department</u>	
Component units:								
Walton Co. Dev. Auth	\$ 341,239	\$ -	\$ -	\$ -	\$ (341,239)	\$ -	\$ -	\$ (341,239)
Walton Co. Comm. on Children & Youth	65,072	-	57,804	-	-	(7,268)	-	(7,268)
Walton Co. Health Department	1,511,592	-	1,540,336	-	-	-	28,744	28,744
Total component units	<u>\$ 1,917,903</u>	<u>\$ -</u>	<u>\$ 1,598,140</u>	<u>\$ -</u>	<u>(341,239)</u>	<u>(7,268)</u>	<u>28,744</u>	<u>(319,763)</u>
General revenues:								
Intergovernmental revenues					1,055,071	-	-	1,055,071
Investment earnings					6,107	151	-	6,258
Gain on the sale of capital assets					(29,884)	-	-	(29,884)
Total general revenues					<u>1,031,294</u>	<u>151</u>	<u>-</u>	<u>1,031,445</u>
			Change in net assets		<u>690,055</u>	<u>(7,117)</u>	<u>28,744</u>	<u>711,682</u>
Net assets - beginning					1,186,864	35,563	108,293	1,330,720
Prior period adjustment					-	-	-	-
Net assets - beginning, restated					<u>1,186,864</u>	<u>35,563</u>	<u>108,293</u>	<u>1,330,720</u>
Net assets - ending					<u>\$ 1,876,919</u>	<u>\$ 28,446</u>	<u>\$ 137,037</u>	<u>\$ 2,042,402</u>

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

WALTON COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2004

ASSETS

Cash	\$ 297,507
Receivables	<u>8,316</u>
Total assets	<u><u>\$ 305,823</u></u>

LIABILITIES

Due to other governments	\$ 1,625
Due to others	<u>304,198</u>
Total liabilities	<u><u>\$ 305,823</u></u>

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

Notes to Financial Statements

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Walton County was incorporated under the laws of the State of Georgia in 1875. The County is governed by a five-member Board of Commissioners. Each commissioner is elected to a four-year term. The Chairman serves as the full-time Chief Executive Officer and the other four commissioners serve on a part-time basis. The Chairman is responsible for the daily operations of the County.

The financial statements of Walton County, Georgia (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, the financial statements of the reporting entity include those of Walton County (the primary government) and its component units. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in its own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Discretely Presented Component Units – The component unit columns in the government-wide financial statements include the financial data of the County's component units. They are included because, if excluded, the County's financial statements would be misleading. They are reported in separate columns in the government-wide financial statements to emphasize their legal separation from the County. The following component units are included in the statements:

Development Authority of Walton County - The County appoints all members of the Development Authority's Board of Directors. The County is also financially liable for the mortgage indebtedness of the Authority in the case of default by the Authority. The Development Authority does not issue separate component unit financial statements.

Walton County Health Department - The Health Department was created by state legislative act in 1964 to provide various health related programs such as immunization, family planning, and nutrition services. It operates under an Executive Officer and a seven member board comprised of the following: the Chairman of the Board of Commissioners, the Walton County School Superintendent, the Mayor of the City of Monroe, three at-large members appointed by the County, and one at-large member appointed by the City of Monroe.

Walton County Commission on Children and Youth – The Commission provides counseling and care services for children and youth around the county. This legally created authority is funded by donations and grants from various sources. The Commission does not issue separate component unit financial statements.

The following discretely presented component unit issues separate financial statements and has a June 30 fiscal year end. Complete financial statements of the individual component unit can be obtained from its respective administrative offices:

Walton County Health Department
P.O. Box 150
Monroe, GA 30655

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 1: Summary of Significant Accounting Policies, continued

Blended Component Units - Based on the GASB criteria, the County has no entities that qualify as blended component units.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues and expenses, such as charges for services and cost of services and administration, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items not meeting these definitions are reported as nonoperating revenues or expenses, and /or result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

SPLOST Capital Projects Fund – This is a capital projects fund established to account for all special local options sales tax revenues as well as the specifically identified projects for which the SPLOST tax was established.

Debt Service Fund – This fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and lease principal and interest when the government is obligated in some manner for the payment.

The County reports the following major enterprise funds:

Solid Waste Fund – This fund accounts for the operation and maintenance of the County's landfill, disposal sites and recycling center.

Emergency Medical Services Fund – This fund accounts for the operation and maintenance of the County's Emergency Medical Services (ambulance service) for the county.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 1: Summary of Significant Accounting Policies, continued

B. Basis of Presentation, Basis of Accounting, continued

The County reports the following internal service funds:

Employee Benefits fund – This fund provides for self-funding of health insurance claims.

Worker's Compensation fund - This fund provides for self-funding of workers' compensation insurance claims.

The County reports the following fund types:

Agency Funds – These funds account for monies held by the County in a trustee capacity or as an agent on behalf of individuals, private organizations, other governments and/or other funds. Following are the agency funds of the County at June 30, 2004: Tax Commissioner, Sheriff, Probate Court, Clerk of Superior Court, Magistrate Court, Juvenile Court, Tax Assessors, Code Enforcement and Animal Control.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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

C. Budgets and Budgetary Accounting

The County follows these procedures in establishing budgetary data reflected in the financial statements:

1. Prior to July 1, the Chairman submits to the Commission a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Walton County.
3. The budget is then revised and adopted or amended by the Commission before the first regular meeting in July of the year to which it applies. The legal level of budgetary control is the department level.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 1: Summary of Significant Accounting Policies, continued

C. Budgets and Budgetary Accounting, continued

4. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase in expenditures shall be made therein without provision also being made for financing the same.
5. Budgeted amounts are as originally adopted, or as amended by the Commission. Individual amendments were not material in relation to the original appropriations.
6. Operating budgets are legally adopted each fiscal year for the General Fund, all Special Revenue Funds and the Debt Service Fund on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for all capital project funds. All annual appropriations lapse at fiscal year end.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is used by the County. Encumbrances outstanding at year end are reported as a reservation of Fund Balance since they do not constitute expenditures nor a liability and are available for expenditure in the subsequent year. Encumbrances lapse at the end of the next fiscal year.

E. Deposits and Investments

Cash consists of demand and interest-bearing deposits held in banks. Any bank deposit in excess of FDIC insured amounts must be secured by an equivalent amount of State of Georgia or U.S. obligations or direct loans to the County. General Fund cash balances in excess of amounts required for the County's daily operating activities were invested in the State of Georgia Local Government Investment Pool during the fiscal year.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Investments are recorded at cost plus accrued interest, which approximates market value.

F. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles, when material.

G. Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes and also taxes for the County School District. County property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied approximately September 15 of each year and are due 60 days after issuance. A local option sales tax is in force. Proceeds for this tax are remitted to the County monthly and are utilized to give property owners tax relief. Taxes receivable at June 30, 2004 amounted to \$456,532 while deferred property tax revenue totaled \$347,243.

H. Inventories and Prepaid Items

Inventory is valued at cost. Inventory in the general fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are used. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute available spendable resources.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 1: Summary of Significant Accounting Policies, continued

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All land and improvements, and all works of art/historical treasures are capitalized. Building, building improvements and improvements other than building are with a costs that equals or exceeds \$20,000 are recorded as capital assets. Library books over a cost of \$100,000 are capitalized. All other personal property with initial, individual costs that equal or exceed \$2,500 is recorded as capital assets. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	15-50
Building and improvements	20-50
Vehicles	5
Furniture and fixtures	10
Equipment	10
Computer equipment	5
Heavy machinery	7-12

J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and comp time balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. In accordance with the provisions of GASB Statement 16, concerning Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Compensated absence balances related to governmental activities are liquidated through the General Fund.

K. Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds, as well as certain resources set aside for the repayment of the current portion of certain long-term obligations are classified as restricted assets.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 2: Stewardship, Compliance and Accountability

A. Deficit Fund Balances/Retained Earnings:

The Emergency 911 has an accumulated deficit of \$88,104 at June 30, 2004. Increase in user fees and cell phones usage should eliminate the deficit in future years.

B. Excess of expenditures over appropriations in individual departments:

There were no accounts that had expenditures over appropriations in current year.

Note 3: Cash and Investments

Primary Government

All bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by the County or by its agent in the County's behalf.

Georgia law authorizes local governments to invest in the following types of obligations:

- Obligations of the State of Georgia or any other states;
- Obligations issued by the United States;
- Obligations fully insured or guaranteed by the United States government or governmental agency;
- Obligations of any corporation of the United States Government;
- Prime bankers' acceptances;
- The State of Georgia Local Government Investment Pool;
- Repurchase agreements; and
- Obligations of other political subdivisions of the State of Georgia.

Restricted investments in the Debt Service fund represents funds held by a trustee bank for debt service payment activities.

The County has \$290,807 and \$8,514,622 invested in the Georgia Fund 1. 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, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is managed by the Office of Treasury and Fiscal Services. 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.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 3: Cash and Investments, continued

Primary Government

Carrying amount and market value of Walton County's investments at June 30, 2004 are listed below:

<u>Type of Investment</u>	Category			<u>Fair Value</u>
	1	2	3	
Employees' Health Benefits held by the Government's trustee	\$ 1,177,795	\$ -	\$ -	\$ 1,177,795
Workers' Compensation Insurance held by the Government's trustee	267,943	-	-	267,943
Debt Service funds held by the Government's trustee	598,071	-	-	598,071
Law Library certificate of deposit	36,027	-	-	36,027
Crime Victim certificate of deposit	-	-	-	-
	<u>\$ 2,079,836</u>	<u>\$ -</u>	<u>\$ -</u>	
Investments not subject to categorization:				
Investment in State Local Government Investment Pool				8,805,429
				<u>\$ 10,885,265</u>

No indication of the level of risk has been provided for the State Local Government Investment Pool because these investments are in pools managed by other governments or by other agents.

Discretely Presented Component Units

All bank balances of deposits as of the balance sheet date of all component units are entirely insured or collateralized with securities held by the unit or by its agent in the unit's behalf.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

Primary Government

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 20,746,649	\$ 2,241,904	\$ -	\$ 22,988,553
Construction in progress	3,182,044	17,950,033	130,363	21,001,714
Historical artifacts	11,000	-	-	11,000
Total capital assets not being depreciated	<u>23,939,693</u>	<u>20,191,937</u>	<u>130,363</u>	<u>44,001,267</u>
Capital assets being depreciated:				
Infrastructure	98,412,359	3,656,143	-	102,068,502
Buildings and improvements	20,824,111	204,903	-	21,029,014
Equipment, furniture & vehicles	14,332,372	770,189	754,536	14,348,025
Total capital assets being depreciated	<u>133,568,842</u>	<u>4,631,235</u>	<u>754,536</u>	<u>137,445,541</u>
Less accumulated depreciation for:				
Infrastructure	83,625,508	2,087,243	-	85,712,751
Buildings and improvements	6,313,788	538,638	-	6,852,426
Equipment, furniture & vehicles	10,313,285	1,112,494	741,244	10,684,535
Total accumulated depreciation	<u>100,252,581</u>	<u>3,738,375</u>	<u>741,244</u>	<u>103,249,712</u>
Primary government capital assets being depreciated, net	<u>\$ 57,255,954</u>	<u>\$ 21,084,797</u>	<u>\$ 143,655</u>	<u>\$ 78,197,096</u>

Business-type activities:	Beginning Balances	Increases	Decreases	Ending Balances
Emergency Medical Services				
Capital assets not being depreciated:				
Capital assets being depreciated:				
Equipment, furniture & vehicles	\$ 294,747	\$ 55,609	\$ 53,796	\$ 296,560
Total capital assets being depreciated	<u>294,747</u>	<u>55,609</u>	<u>53,796</u>	<u>296,560</u>
Less accumulated depreciation for:				
Equipment, furniture & vehicles	161,674	46,131	48,416	159,389
Total accumulated depreciation	<u>161,674</u>	<u>46,131</u>	<u>48,416</u>	<u>159,389</u>
Emergency Medical Services capital assets being depreciated, net	<u>\$ 133,073</u>	<u>\$ 9,478</u>	<u>\$ 5,380</u>	<u>\$ 137,171</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 4: Capital Assets, continued

Primary Government, continued

	Beginning Balances	Increases	Decreases	Ending Balances
Solid Waste Fund:				
Capital assets not being depreciated:				
Land	\$ 377,370	\$ -	\$ 5,000.00	\$ 372,370
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>377,370</u>	<u>-</u>	<u>5,000</u>	<u>372,370</u>
Capital assets being depreciated:				
Buildings and improvements	302,615	-	-	302,615
Equipment, furniture & vehicles	986,408	116,694	66,293	1,036,809
Total capital assets being depreciated	<u>1,289,023</u>	<u>116,694</u>	<u>66,293</u>	<u>1,339,424</u>
Less accumulated depreciation for:				
Buildings and improvements	94,072	9,810	-	103,882
Equipment, furniture & vehicles	867,097	34,502	66,293	835,306
Total accumulated depreciation	<u>961,169</u>	<u>44,312</u>	<u>66,293</u>	<u>939,188</u>
Solid waste capital assets being depreciated, net	<u>705,224</u>	<u>72,382</u>	<u>5,000</u>	<u>772,606</u>
Business-type activities capital assets, net	<u>\$ 838,297</u>	<u>\$ 81,861</u>	<u>\$ 10,380</u>	<u>\$ 909,778</u>

Depreciation expense was charged to functions as follows:

General government	\$ 395,419
Judicial	61,232
Public safety	812,097
Public works	276,940
Health and welfare	1,879
Culture and recreation	84,516
Housing and development	19,049
Unallocated - Infrastructure	2,087,243
Total governmental activities depreciation expense	<u>\$ 3,738,375</u>

Discretely Presented Component Units - Development Authority of Walton County

A summary of changes in the Walton County Development Authority's capital assets follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated				
Land	\$ 3,369,629	\$ 30,242	\$129,757	\$ 3,270,114
Total capital assets not being depreciated	<u>3,369,629</u>	<u>30,242</u>	<u>129,757</u>	<u>3,270,114</u>
Capital assets being depreciated:				
Equipment, furniture & vehicles	36,268	301	-	36,569
Total capital assets being depreciated	<u>36,268</u>	<u>301</u>	<u>-</u>	<u>36,569</u>
Less accumulated depreciation for:				
Equipment, furniture & vehicles	19,552	6,199	-	25,751
Total accumulated depreciation	<u>19,552</u>	<u>6,199</u>	<u>-</u>	<u>25,751</u>
Component unit capital assets being depreciated, net	<u>\$ 3,386,345</u>	<u>\$ 24,344</u>	<u>\$129,757</u>	<u>\$ 3,280,932</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 5: Interfund Balances and Activity

Balances Due to/from Other Funds

Balances due to/from other funds at June 30, 2004 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Multiple Grant Fund	\$ 8
	DATEF	18,159
	Greenspace Special Revenue	600
Clerk's Authority	General Fund	5,543
SPLOST Capital Project	General Fund	<u>801,235</u>
	Total due to/from other funds	<u>\$ 825,545</u>

Due to/from balances are a result of local match for grant projects or for advances waiting grantor fund reimbursement.

Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2004 consists of the following:

Transfer Out:	Transfer In:					Total
	General Fund	Nonmajor Governmental	Debt Service	Enterprise	Internal Service	
General Fund	\$ -	\$ 1,981,790	\$ 2,170,803	\$ 2,204,764	\$ 100,911	\$ 6,458,268
SPLOST Cap. Proj.	-		6,489,256	-	-	6,489,256
Nonmajor						
Governmental	1,884,402	-	-	-	-	1,884,402
Enterprise Fund	1,017,881					1,017,881
	<u>\$ 2,902,283</u>	<u>\$ 1,981,790</u>	<u>\$ 8,660,059</u>	<u>\$ 2,204,764</u>	<u>\$ 100,911</u>	<u>\$ 15,849,807</u>
	Total transfer in/out from other funds					<u>\$ 15,849,807</u>

Transfers between General and SPLOST Capital Projects funds were for local match transfers and reimbursement after collection of SPLOST proceeds. Transfers to nonmajor governmental funds were for operations or local match for minor grant projects. The transfers between general fund and enterprise funds and internal service funds were for advancement of monies to fund operations until revenues were received to possibly be returned.

Note 6: Long-term Obligations

General Obligation Bonds

In December 2001, the County issued Series 2001 General Obligation Sales Tax Bonds in the amount of \$27,880,000. The bonds bear interest at rates ranging from 1.19% to 4.25% and will be repaid in principal installments of \$200,000 to \$3,750,000 beginning in June 2002. The bonds will be repaid from the proceeds received from the imposition of a 1% sales and use tax. The proceeds of the issue are designated for certain road improvements, expansion of jail, construction of justice and administration building and construction of recreation facilities.

COPS

\$5,215,000 1994 Certificates of Participation ACCG Lease Program On February 1, 1994 the County issued Series 1994 Certificates of Participation through the Association of County Commissioners of Georgia Leasing Program to finance the acquisition, construction and equipping of certain governmental facilities. The certificates are payable in annual installments of principal varying from \$185,000 - \$565,000 through January 2010. Interest is due semi-annually at rates varying from 3.75% to 5.5%.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 6: Long-term Obligations, continued

Notes Payable

\$289,097 1995 Newton County, Georgia Cornish Creek Water Line Agreement In December 1995, Walton County agreed to share costs of necessary water line installations. The agreement provided for annual principal payments varying from \$5,171 - \$19,888 through 2020. Interest is due annually at a rate of 6.0%.

\$442,448 Newton County Reservoir Agreement In 1998, Walton County agreed to share the costs of upgrading the capacity of the reservoir. The agreement provided for monthly principal payment varying from \$1,016 to \$3,032 through 2020. Interest is due monthly at a rate of 5.5%.

Joint Venture

\$3,375,000 Four County Industrial Development Authority As discussed in Note 10, the County is contractually obligated to the purchase of the Four County Industrial Site. Temporary financing was issued until permanent financing could be obtained. The \$3,375,000 amount represents the County's 37.5% interest in the property and underlying debt. The permanent financing provided for annual principal payments varying from \$112,500 to \$262,500 through 2020 at a variable interest rate.

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2003 are as follows:

	<u>July 1, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2004</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation bonds	\$ 22,630,000	\$ -	\$ 5,650,000	\$ 16,980,000	\$ 6,230,000
COPS	1,615,000	-	195,000	1,420,000	205,000
Newton County:					
Water Line Agreement	237,183	-	8,348	228,835	8,863
Reservoir Agreement	402,794	-	14,737	388,057	15,568
Four County Joint Industrial					
Development Authority	3,150,000	-	112,500	3,037,500	112,500
Capital lease obligations	1,414,233	870,680	714,651	1,570,262	643,830
Compensated absences	687,899	217,538	-	905,437	80,920
	<u>\$ 30,137,109</u>	<u>\$ 1,088,218</u>	<u>\$ 6,695,236</u>	<u>\$ 24,530,091</u>	<u>\$ 7,296,681</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 6: Long-term Obligations, continued

Capital Leases

The County has entered into various lease-purchase agreements in the General Fund to finance the acquisition of machinery, equipment and vehicles. The leases are for periods of two to five years at interest rates ranging from 5.17% to 5.87%. The leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

The County leases machinery and equipment with a historical cost and accumulated depreciation of

	Historical Costs	Accumulated Depreciation
Machinery and equipment	\$ 3,111,686	\$ 1,096,313

Future minimum lease payments at June 30, 2004 are as follows:

	Governmental activities	Total
Fiscal Year Ending June 30,		
2005	\$ 643,830	\$ 643,830
2006	490,368	490,368
2007	492,147	492,147
2008	25,353	25,353
Total minimum lease payments	1,651,698	1,651,698
Less: deferred interest	(81,333)	(81,333)
Present value minimum lease payments	\$ 1,570,365	\$ 1,570,365

Discretely Presented Component Unit-Development Authority of Walton County

Long-term Obligations

\$2,600,000 2000 Revenue Bonds In January 2000, the Development Authority of Walton County issued Series 2000 Revenue Bonds for the purpose of providing funds to be applied toward financing the cost of the acquisition of land for an industrial park. The bonds are payable in semi-annual installments of principal of \$325,000, beginning in August 2003 through February 2007. Interest is due semi-annually at 7.61%, beginning in August 2000.

Walton County is financially liable for this mortgage indebtedness of the Development Authority of Walton County. During FY 2004, the Walton County Board of Commissioners, in accordance with existing agreements with the Development Authority, made direct payments of \$1,013,852.81 to the Walton County Development Authority. Of that, \$813,852.81 was used by the Development Authority of Walton County to pay debt service on its 2000 Revenue Bonds. The remaining \$200,000.00 was paid by the Commissioners to support the current operations of the Development Authority.

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2004 are as follows:

	July 1, 2004	Increases	Decreases	June 30, 2004	Due within One Year
Bonds payable	\$ 2,600,000	\$ -	\$ 650,000	\$ 1,950,000	\$ 650,000
	\$ 2,600,000	\$ -	\$ 650,000	\$ 1,950,000	\$ 650,000

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 6: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2003 are as follows:

Governmental Activities Year Ending	General Obligation Bonds		COPS		Newton County Water Line Agreement		Newton County Reservoir Agreement		Four County Industrial Development Authority	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
June 30,										
2005	\$ 6,230,000	\$ 617,175	\$ 205,000	\$ 76,575	\$ 8,863	\$ 13,752	\$ 15,568	\$ 20,955	\$ 112,500	\$ 33,010
2006	7,000,000	370,175	220,000	65,915	9,410	13,205	16,446	20,076	112,500	34,712
2007	3,750,000	79,688	230,000	54,255	9,990	12,625	17,374	19,148	112,500	33,351
208	-	-	240,000	41,835	10,606	12,009	18,354	18,169	150,000	31,763
2009	-	-	255,000	28,875	11,260	11,355	19,389	17,133	150,000	29,948
2010-2014	-	-	270,000	14,850	67,616	45,459	114,638	67,974	825,000	121,605
2015-2019	-	-	-	-	91,205	21,870	150,830	31,783	1,050,000	64,886
2020-2024	-	-	-	-	19,888	602	35,459	1,064	525,000	6,352
	<u>\$ 16,980,000</u>	<u>\$ 1,067,038</u>	<u>\$1,420,000</u>	<u>\$282,305</u>	<u>\$ 228,838</u>	<u>\$130,877</u>	<u>\$388,058</u>	<u>\$ 196,302</u>	<u>\$3,037,500</u>	<u>\$ 355,627</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 6: Long-term Obligations, continued

Discretely Presented Component Unit-Development Authority of Walton County, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2004 are as follows:

Year Ending June 30,	Bonds Payable	
	Principal	Interest
2005	\$ 650,000	\$ 138,227
2006	650,000	87,663
2007	650,000	37,511
2008	-	-
	-	-
	<u>\$ 1,950,000</u>	<u>\$ 263,401</u>

Note 7: Retirement Benefits

Defined Benefit Pension Plan

As of July 1, 1998, the County ended new participation in its Defined Benefit Pension Plan, except for certain elected officials. Existing plan participants who met certain restrictions as to age and years of service, were permitted to either remain as active participants or freeze the present value of their accumulated future benefits in the Defined Benefit Plan, while all other plan participants had the present value of their future benefits, as of July 1, 1998, deposited in the County's 401(a) Money Purchase or Defined Contribution Plan.

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Walton County Employees (The Plan), which is a defined 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 of County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer 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 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.

Complete financial statements for The Plan can be obtained directly from the plan administrator.

CBIZ/Pension Services
1100 Circle 75 Parkway, Suite 300
Atlanta, GA 30339

County employees are not required to contribute to The Plan. The County contributes the entire cost of The Plan, using the projected unit credit method.

All full-time County employees and those part-time employees working at least 20 hours per week for at least five months per year are eligible to participate in the Plan provided that they have completed two years of service. As of January 1, 2003, the numbers of participants were as follows:

-Retirees & beneficiaries receiving benefits	26
-Terminated employees entitled to deferred benefits, but not yet receiving them	57
- Active employees	<u>30</u>
	113

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 7: Retirement Benefits, continued

Defined Benefit Pension Plan, continued

Normal retirement age is age 65. At that time, the employee is entitled to a lifetime annual pension, with a 10 year guarantee equal to 1.0% of his "high-five" year average compensation for each year of service plus .75% of that portion of his "high-five" year average annual compensation that exceeds \$10,000 for each year of service.

The .75% above is reduced to .70% if year of birth is after 1937 and before 1955. Also, the .75% is reduced to .65% for employees born after 1954. Last, years of service are limited to 35 years for this part of the benefit formula. In addition, the plan provides that no participant will receive less than what he had accrued under The Plan as of June 30, 1987. The Plan also provides death benefits. The employee begins vesting after completing 5 years of service. At such time, employee is 50% vested. The employee vests at the rate of 10% per year for the next five years to a maximum of 100% after ten years.

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets minimum funding standards for state and local government sponsored defined benefit pension plans in Georgia.

As of January 1, 2003 (the most recent actuarial valuation date), the County's total covered payroll was \$1,124,947. Covered payroll refers to all compensation paid by the County to active employees covered by The Plan on which contributions to the pension are based. The required contribution for the 2003 plan year is \$155,657, which represents 13.8% of covered payroll.

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

	<u>January 1, 2002</u>	<u>January 1, 2003</u>
Derivation of Annual Pension Cost		
Annual Required Contribution	\$137,155	\$155,657
Interest on Net Pension Obligation	(1,438)	(1,306)
Amortization of Net Pension Obligation	<u>2,038</u>	<u>1,377</u>
	\$ 137,755	\$155,729

Derivation of Net Pension Obligation

Annual Pension Cost for Prior Year	\$ 137,755
Actual Contributions to Plan for Prior Year	<u>137,155</u>
Increase in Net Pension Obligation	600
Net Pension Obligation as of January 1, 2002	<u>(16,921)</u>
Net Pension Obligation as of January 1, 2003	(16,321)

Basis of Valuation

Valuation date	January 1, 2003
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar (Closed)
Remaining amortization period	26 years
Asset valuation method	market value
Actuarial assumptions:	
Investment rate of return*	8.0%
Projected salary increases*	5.0%
*Includes inflation at	3.0%
Cost of living adjustments	N/A

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 7: Retirement Benefits, continued

Defined Benefit Pension Plan, continued

Three Year Trend Information

Fiscal Year Beginning	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
1/1/2003	\$ 155,729	N/A	\$ (16,321)
1/1/2002	137,755	100.0	(16,921)
1/1/2001	99,384	99.0	(17,543)

The Board of Commissioners approved a new Defined Benefit Plan, effective January 1, 2004 to provide an annual retirement benefit of 1% of the highest five years' average salary for years of service after January 1, 2004. Employees were allowed to buy back years of service based on actuarial calculations provided by CBIZ, Inc. and/or its subsidiary of affiliated actuarial service providers. In order to somewhat offset the costs of the new plan, the Board also amended the existing 401a Money Purchase Plan to reduce the County's annual defined contribution from 6.5% of employee salaries to 2%, with an additional 2% to be contributed for plan participants who also contribute at least 2% to the 457(b) Deferred Compensation Plan. Under the new Defined Benefit Plan, at retirement, an employee must have been a plan participant for a minimum of three years, an employee may participate immediately upon hire and there is no lumpsum payout upon termination.

Defined Contribution Plan

Plan Description

The Walton County Money Purchase 401(a) Plan is a defined contribution pension plan established by the county and administered by CBIZ Benefits and Insurance in Maryland, with statements provided to employees by GEBCorp. The Plan was established to provide benefits at retirement to Walton County employees. The County is required to contribute 2.0% of total covered payroll, and an additional 2% if an employee also contributes at least 2% to the 457(b) Deferred Compensation Plan. Employees are also required to contribute 2% to the plan. Employees are eligible to join the plan after one years of full time service. Participants are then fully in the County's contributions after five years of service. They are fully vested immediately in their contributions to the plan. Total contributions for the fiscal year ended 06/30/04 were \$524,159. The majority of original contributions consisted of member rollovers from the defined benefit pension plan, which was frozen on July 1, 1998. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

Other Retirement Plans

Extension Service Employees Retirement Plan

Employees of the Walton County Agricultural Extension Service are covered under the Teachers Retirement System of Georgia. At present, a contribution to their pension fund in the amount of 13.43% on compensation is made by the General Fund.

Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan that requires that certain sums from marriage licenses and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan, which requires that certain sums from fees and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 7: Retirement Benefits, continued

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

Note 8: Risk Management

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government carries commercial insurance. Effective July 1, 1991, the County established a self-funded trust for the administration and funding of the County's Health Care and Employee Benefits and Self-funded Medical expense reimbursement internal service fund. This trust shall be the source of funding for claims or expense reimbursement of employees from losses due to death, disability, dental or medical expenses and other expenses relating to maintenance of the fund by the appointed trustee.

Changes in the balances for the health care plan of claim liabilities during the past 2 years are as follows:

	<u>FYE 2004</u>	<u>FYE 2003</u>
Unpaid Claims, beginning of year	\$ 334,642	\$ 448,561
Incurred Claims	2,226,228	2,577,289
Claim Payments	<u>(2,507,734)</u>	<u>(2,691,208)</u>
Unpaid Claims, end of year	<u>\$ 53,136</u>	<u>\$ 334,642</u>

Effective January 1, 1997, the County established a limited risk management self-funded trust for the administration and funding of the County's Workers' Compensation Plan, which as with other counties in the state is part of the ACCG Group Self-Insurance Workers' Compensation Fund (WCSIF), public entity risk pool currently operating as common risk management and insurance programs for member local governments. The Association County Commissioners of Georgia (ACCG) administers the risk pool.

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

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

This county trust shall be the source of funding for claims or expenses to reimburse employees for losses incurred from work related injury and other expenses relating to maintenance of the internal service fund by the appointed trustee. Changes in the balances for the workers' compensation plan of claim liabilities during the past 2 years are as follows:

	<u>FYE 2004</u>	<u>FYE 2003</u>
Unpaid Claims, beginning of year	\$ -	\$ 189,651
Incurred Claims	112,786	242,193
Claim Payments	<u>(92,782)</u>	<u>(52,547)</u>
Unpaid Claims, end of year	<u>\$ 20,004</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 8: Risk Management, continued

In both of the aforementioned plans, expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The County is responsible for determining the contributions to the trusts, which is established with an independent fiduciary (trustee) that will hold and manage these contributions. The County may contract with insurance carriers and others to provide the aforementioned benefits, and the trustee is authorized to make disbursement for such claims.

During the year ended June 30, 2004 the County did not reduce insurance coverages from coverage levels in place as of June 30, 2003. No settlements have exceeded coverage levels in place during 2002, 2003, and 2004.

Note 9: Commitments and Contingencies

Commitments

The County has construction commitments related to the projects funded by the General Obligation Bonds (See Note 6). There are no other significant construction commitments.

Contingent Liabilities

The County participates in a number of federal and state assisted grant programs. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. Some of the Greenspace grant funding fell under this scenario and was reimbursed after year end. The amount, if any, of any other disallowed expenditures discovered in future audits is expected to be immaterial.

Litigation

The County is a defendant in several lawsuits, which arose, in the ordinary course of its activities. The County records liabilities resulting from such claims and litigation only when they become probable and measurable. No liability has been recorded for any of the lawsuits currently in process. However, the County attorney and the County's management believes that damages, if any, that are to be paid by the County in excess of insurance coverage will not be material to the financial statements.

Note 10: Joint Ventures

Northeast Georgia Regional Development Center (RDC)

Walton County, Georgia, along with cities and counties in the 12 county Northeast Georgia area is a member of the Northeast Georgia Regional Development Center (RDC). Membership in an RDC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The RDC Board membership includes the chief elected official of each county and a municipal representative from each county. The County Board members and municipal Council members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the non-public Board member from a county.

The Georgia Planning Act of 1989 (OCGA 50-8-34) defines RDCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (OCGA 50-8-39.1)

Complete financial statements of the Northeast Georgia Regional Development Center can be obtained directly from the RDCs administrative office:

Northeast Georgia Regional Development Center
305 Research Drive
Athens, Georgia 30610

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2004

Note 9: Commitments and Contingencies, continued

Four County Industrial Development Authority

During the latter half of 1998, the Four County Industrial Development Authority, a joint venture, was formed for the purpose of purchasing and developing an industrial site. The land was purchased through the Walton County Development Authority with temporary financing from Walton County, until such time as the Joint Authority could issue permanent bond financing for the project. The Joint Authority issued \$9,000,000 in bonded debt in October 2000 for the repayment of the Walton County Development Authority, pay issuance costs of the bond, and to provide initial development costs. The stated percentages of ownership and debt assumption are as follows: Newton County 37.5%, Walton County 37.5%, Morgan County 15%, and Jasper County 10%. The debt will amortize from 2001 and continue through 2020. The County recorded the land investment and resultant long-term debt on its books in the 2000-2001 fiscal year. Complete financial statements of the Four County Industrial Development Authority can be obtained directly from:

Four County Industrial Development Authority
C/O Madison Chamber of Commerce
115 East Jefferson Street
Madison, GA 30650

Note 11: Other Postemployment Benefits

In addition to the pension benefits described in Note 7, the County provides postretirement healthcare benefits, in accordance with County statutes, to all employees who retire from the County after 20 years of service are between 62 and 65 years of age. Currently, two retirees meet those eligibility requirements. Health care benefits for retirees and active employees are provided through the County's self-insurance program. Expenditures for postretirement healthcare benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the County. During the year, expenditures of \$24,743 were recognized for postretirement healthcare. These post employment benefits are financed on a pay-as-you-go basis and are not included as part of the County defined benefit pension plan.

Note 12: Prior Period Adjustments

The Volunteer Fire fund had an adjustment to add it as a special revenue fund, whereas the amounts had been immaterial in prior years. The Debt Service fund had an adjustment to agree some immaterial expenses with the proper year of payment.

Note 13: Subsequent Events

In December 2004, the Board of Commissioners passed a resolution to create a county water department bringing the operations of the Walton County Water & Sewerage Authority under the County, and maintaining the Authority as a debt facility for existing and future commitments. Pending the completion of state legislation, this change should become effective within the following year. Any existing agreements between the Walton County Board of Commissioners and the Walton County Water & Sewerage Authority have been deferred until final legislation is passed.

Required Supplementary Information

WALTON COUNTY, GEORGIA
Required Supplementary Information
June 30, 2004

RETIREMENT PLAN

GASB 27 Required Supplementary Information-Schedule of Funding Progress

<u>Measurement Date</u>	(a) <u>Actuarial Value of Assets</u>	(b) <u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	(c) <u>Covered Payroll</u>	<u>UAAL as a percentage of covered payroll (b - a) / c</u>
12/31/2003	1,833,075	2,649,403	816,328	69.2%	1,124,947	72.6%
12/31/2002	1,825,883	2,531,134	705,251	72.1%	1,254,042	56.2%
12/31/2001	1,955,766	2,254,072	298,306	86.8%	996,501	29.9%
12/31/2000	2,357,303	2,644,987	287,684	89.1%	1,228,654	23.4%
12/31/1999	2,129,500	2,450,635	321,135	86.9%	1,209,768	26.5%
12/31/1998	2,189,804	1,089,140	(1,100,664)	201.1%	5,434,469	-20.3%
12/31/1997	4,323,906	3,073,501	(1,250,405)	140.7%	5,615,980	-22.3%
12/31/1996	3,738,309	4,792,546	1,054,237	78.0%	4,609,045	22.9%
12/31/1995	3,264,974	4,227,552	962,578	77.2%	4,778,723	20.1%

Analysis of the dollar amounts of actuarial value of assets for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater the percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

Major Funds

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2004

GENERAL GOVERNMENT	Original Budget	Final Budget	Actual	Variance with Final Budget
Governing Body:				
Personal services	\$ 88,635	\$ 97,517	\$ 97,517	\$ -
Purchased/contracted	34,500	26,383	26,383	-
Supplies	2,900	2,683	2,683	-
	<u>126,035</u>	<u>126,583</u>	<u>126,583</u>	<u>-</u>
Clerk of Commission:				
Personal services	64,969	64,582	64,582	-
Purchased/contracted	31,350	12,321	12,321	-
Supplies	5,122	3,404	3,404	-
	<u>101,441</u>	<u>80,307</u>	<u>80,307</u>	<u>-</u>
Commission Chair:				
Personal services	140,282	140,430	140,430	-
Purchased/contracted	4,200	4,484	4,484	-
Supplies	7,122	4,694	4,694	-
	<u>151,604</u>	<u>149,608</u>	<u>149,608</u>	<u>-</u>
Board of Elections/Registrar:				
Personal services	97,948	101,108	101,108	-
Purchased/contracted	90,050	62,827	62,827	-
Supplies	3,020	4,302	4,302	-
Capital outlay	-	4,590	4,590	-
	<u>191,018</u>	<u>172,827</u>	<u>172,827</u>	<u>-</u>
Financial Administration:				
Personal Services	306,197	319,616	319,616	-
Purchased/contracted	127,480	116,433	116,433	-
Supplies	14,289	3,279	3,279	-
	<u>447,966</u>	<u>439,328</u>	<u>439,328</u>	<u>-</u>
County Attorney:				
Purchased/contracted	61,000	150,075	150,075	-
	<u>61,000</u>	<u>150,075</u>	<u>150,075</u>	<u>-</u>
Information Technology:				
Personal services	144,276	117,631	117,631	-
Purchased/contracted	63,355	46,497	46,497	-
Supplies	112,494	97,355	97,355	-
Capital outlay	36,319	42,203	42,203	-
	<u>356,444</u>	<u>303,686</u>	<u>303,686</u>	<u>-</u>
Human Resources:				
Personal services	193,331	185,384	185,384	-
Purchased/contracted	34,125	32,430	32,430	-
Supplies	5,013	5,560	5,560	-
	<u>232,469</u>	<u>223,374</u>	<u>223,374</u>	<u>-</u>
Tax Commissioner:				
Personal services	451,372	477,765	477,765	-
Purchased/contracted	90,550	84,351	84,351	-
Supplies	3,950	6,756	6,756	-
	<u>\$ 545,872</u>	<u>\$ 568,872</u>	<u>\$ 568,872</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL GOVERNMENT				
Board of Equalization:				
Personal services	\$ 23,559	\$ 22,760	\$ 22,760	\$ -
Purchased/contracted	4,155	2,539	2,539	-
Supplies	850	1,074	1,074	-
Capital outlay	5,000	2,595	2,595	-
	<u>33,564</u>	<u>28,968</u>	<u>28,968</u>	<u>-</u>
Tax Assessor:				
Personal services	569,747	606,230	606,230	-
Purchased/contracted	68,820	29,300	29,300	-
Supplies	20,905	19,405	19,405	-
Capital outlay	-	-	-	-
	<u>659,472</u>	<u>654,935</u>	<u>654,935</u>	<u>-</u>
Risk Management:				
Personal services	143,155	1,009,448	1,009,448	-
Purchased/contracted	613,844	604,399	604,399	-
Supplies	1,700	348	348	-
Interfund/interdept.	-	2,085	2,085	-
Other costs	25,500	45,714	45,714	-
	<u>784,199</u>	<u>1,661,994</u>	<u>1,661,994</u>	<u>-</u>
County Facilities:				
Personal services	451,281	471,129	471,129	-
Purchased/contracted	404,791	338,412	338,412	-
Supplies	363,679	364,981	364,981	-
Capital outlay	21,000	25,284	25,284	-
	<u>1,240,751</u>	<u>1,199,806</u>	<u>1,199,806</u>	<u>-</u>
Customer Service:				
Personal Services	27,065	30,893	30,893	-
	<u>27,065</u>	<u>30,893</u>	<u>30,893</u>	<u>-</u>
General Administration Fee:				
Purchased/contracted	-	5,121	5,121	-
Other costs	108,036	72,399	72,399	-
	<u>108,036</u>	<u>77,520</u>	<u>77,520</u>	<u>-</u>
TOTAL GENERAL GOVERNMENT	5,066,936	5,868,776	5,868,776	-
JUDICIAL				
Superior Court:				
Personal services	253,452	264,397	264,397	-
Purchased/contracted	167,550	192,627	192,627	-
Supplies	5,130	4,506	4,506	-
Other Costs	10,900	23,235	23,235	-
	<u>437,032</u>	<u>484,765</u>	<u>484,765</u>	<u>-</u>
Clerk of Superior Court:				
Personal services	578,978	608,950	608,950	-
Purchased/contracted	105,375	96,946	96,946	-
Supplies	42,515	51,429	51,429	-
	<u>\$ 726,868</u>	<u>\$ 757,325</u>	<u>\$ 757,325</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
JUDICIAL				
District Attorney:				
Personal services	\$ 440,188	\$ 435,604	\$ 435,604	\$ -
Purchased/contracted	23,250	29,075	29,075	-
Supplies	19,910	18,107	18,107	-
Capital outlay	-	32,116	32,116	-
Other Costs	1,660	14,542	14,542	-
	<u>485,008</u>	<u>529,444</u>	<u>529,444</u>	<u>-</u>
Magistrate Court:				
Personal services	287,471	277,393	277,393	-
Purchased/contracted	9,885	7,889	7,889	-
Supplies	3,700	3,375	3,375	-
	<u>301,056</u>	<u>288,657</u>	<u>288,657</u>	<u>-</u>
Probate Court:				
Personal services	375,596	400,282	400,282	-
Purchased/contracted	15,525	15,393	15,393	-
Supplies	8,150	8,456	8,456	-
Capital outlay	8,500	7,461	7,461	-
	<u>407,771</u>	<u>431,592</u>	<u>431,592</u>	<u>-</u>
Juvenile Court:				
Personal services	498,536	514,276	514,276	-
Purchased/contracted	89,704	61,242	61,242	-
Supplies	20,199	15,044	15,044	-
	<u>608,439</u>	<u>590,562</u>	<u>590,562</u>	<u>-</u>
Public Defender:				
Personal services	274,104	282,883	282,883	-
Purchased/contracted	27,100	18,685	18,685	-
Supplies	15,098	65,395	65,395	-
Other costs	72,259	7,309	7,309	-
	<u>388,561</u>	<u>374,272</u>	<u>374,272</u>	<u>-</u>
TOTAL JUDICIAL	3,354,735	3,456,617	3,456,617	-
PUBLIC SAFETY				
Sheriff:				
Purchased/contracted	114,880	123,134	123,134	-
Supplies	418,074	489,656	489,656	-
Capital outlay	127,570	126,729	126,729	-
	<u>660,524</u>	<u>739,519</u>	<u>739,519</u>	<u>-</u>
Law Enforcement Administration:				
Personal services	693,730	740,218	740,218	-
	<u>693,730</u>	<u>740,218</u>	<u>740,218</u>	<u>-</u>
Criminal Investigation:				
Personal services	559,753	571,923	571,923	-
	<u>\$ 559,753</u>	<u>\$ 571,923</u>	<u>\$ 571,923</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY				
Uniformed Patrol:				
Personal services	\$ 2,167,641	\$ 2,286,794	\$ 2,286,794	\$ -
	<u>2,167,641</u>	<u>2,286,794</u>	<u>2,286,794</u>	<u>-</u>
Youth Investigation:				
Personal services	473,042	473,124	473,124	-
	<u>473,042</u>	<u>473,124</u>	<u>473,124</u>	<u>-</u>
Jail Operations:				
Personal services	1,739,126	2,072,112	2,072,112	-
Purchased/contracted	1,162,057	1,530,765	1,530,765	-
Supplies	507,548	559,183	559,183	-
Capital outlay	5,295	8,985	8,985	-
	<u>3,414,026</u>	<u>4,171,045</u>	<u>4,171,045</u>	<u>-</u>
Court Services:				
Personal services	947,645	1,091,309	1,091,309	-
	<u>947,645</u>	<u>1,091,309</u>	<u>1,091,309</u>	<u>-</u>
Dispatcher:				
Personal services	179,670	179,025	179,025	-
	<u>179,670</u>	<u>179,025</u>	<u>179,025</u>	<u>-</u>
Fire Administration:				
Personal services	119,713	180,871	180,871	-
Purchased/contracted	3,300	1,912	1,912	-
Supplies	6,950	2,703	2,703	-
	<u>129,963</u>	<u>185,486</u>	<u>185,486</u>	<u>-</u>
Fire Fighting:				
Personal services	1,683,823	1,930,544	1,930,544	-
Purchased/contracted	102,917	78,879	78,879	-
Supplies	257,178	215,864	215,864	-
Capital outlay	-	18,066	18,066	-
Other costs	32,307	32,307	32,307	-
	<u>2,076,225</u>	<u>2,275,660</u>	<u>2,275,660</u>	<u>-</u>
Fire Training:				
Purchased/contracted	31,500	23,904	23,904	-
	<u>31,500</u>	<u>23,904</u>	<u>23,904</u>	<u>-</u>
Fire Station and Building:				
Purchased/contracted	25,000	11,101	11,101	-
Supplies	96,556	97,578	97,578	-
Capital outlay	8,000	29,677	29,677	-
	<u>129,556</u>	<u>138,356</u>	<u>138,356</u>	<u>-</u>
Coroner:				
Personal services	9,116	8,209	8,209	-
Purchased/contracted	17,040	27,689	27,689	-
Supplies	5,850	2,775	2,775	-
	<u>\$ 32,006</u>	<u>\$ 38,673</u>	<u>\$ 38,673</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Animal Control:				
Personal services	\$ 289,405	\$ 308,985	\$ 308,985	\$ -
Purchased/contracted	6,400	4,387	4,387	-
Supplies	37,295	39,085	39,085	-
	<u>333,100</u>	<u>352,457</u>	<u>352,457</u>	<u>-</u>
Emergency Management:				
Personal services	94,738	85,487	85,487	-
Purchased/contracted	5,875	1,936	1,936	-
Supplies	7,669	950	950	-
	<u>108,282</u>	<u>88,373</u>	<u>88,373</u>	<u>-</u>
TOTAL PUBLIC SAFETY	11,936,663	- 13,355,866	13,355,866	-
PUBLIC WORKS				
Highways and Streets Administration:				
Personal services	112,345	109,180	109,180	-
	<u>112,345</u>	<u>109,180</u>	<u>109,180</u>	<u>-</u>
Roadways and Walkways:				
Personal services	1,600,968	1,510,218	1,510,218	-
Purchased/contracted	227,650	316,998	316,998	-
Supplies	348,855	1,395,559	1,395,559	-
Capital outlay	1,951,216	715,155	715,155	-
	<u>4,128,689</u>	<u>3,937,930</u>	<u>3,937,930</u>	<u>-</u>
Unpaved Streets:				
Purchased/Contracted	-	5,136	5,136	-
Supplies	55,358	154,880	154,880	-
Capital outlay	410,939	10,901	10,901	-
	<u>466,297</u>	<u>170,917</u>	<u>170,917</u>	<u>-</u>
Other Maintenance:				
Personal services	11,248	16,209	16,209	-
Purchased/contracted	37,000	19,950	19,950	-
	<u>48,248</u>	<u>36,159</u>	<u>36,159</u>	<u>-</u>
Bridges:				
Capital outlay	100,000	-	-	-
	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Traffic Engineering:				
Personal services	185,573	194,802	194,802	-
Purchased/contracted	157,566	25,648	25,648	-
Supplies	357,300	304,339	304,339	-
Capital outlay	10,500	8,745	8,745	-
Other costs	175,000	-	-	-
	<u>\$ 885,939</u>	<u>\$ 533,534</u>	<u>\$ 533,534</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>		<u>Final Budget</u>		<u>Actual</u>		<u>Variance with Final Budget</u>
Maintenance and shop:							
Personal services	\$ 351,065		\$ 315,518		\$ 315,518		\$ -
Purchased/contracted	10,450		8,622		8,622		-
Supplies	27,356		19,907		19,907		-
Capital outlay	2,689		2,689		2,689		-
	<u>391,560</u>		<u>346,736</u>		<u>346,736</u>		<u>-</u>
TOTAL PUBLIC WORKS	6,133,078	-	5,134,456		5,134,456		-
HEALTH AND WELFARE							
Health Centers:							
Purchased/contracted	6,800		1,220		1,220		-
Supplies	2,500		858		858		-
Other costs	250,916		250,916		250,916		-
	<u>260,216</u>		<u>252,994</u>		<u>252,994</u>		<u>-</u>
Intergovernmental Welfare:							
Other costs	63,000		63,456		63,456		-
	<u>63,000</u>		<u>63,456</u>		<u>63,456</u>		<u>-</u>
Other Vendor Payments:							
Purchased/contracted	1,000		1,000		1,000		-
	<u>1,000</u>		<u>1,000</u>		<u>1,000</u>		<u>-</u>
Community Services:							
Other costs	174,200		174,200		174,200		-
	<u>174,200</u>		<u>174,200</u>		<u>174,200</u>		<u>-</u>
TOTAL HEALTH AND WELFARE	498,416	-	491,650		491,650		-
CULTURE/RECREATION							
Recreation:							
Personal services	275,503		310,889		310,889		-
Purchased/contracted	88,300		120,518		120,518		-
Supplies	253,714		205,240		205,240		-
Other costs	-		43,616		43,616		-
	<u>617,517</u>		<u>680,263</u>		<u>680,263</u>		<u>-</u>
Parks:							
Personal services	429,602		498,116		498,116		-
Purchased/contracted	46,395		52,447		52,447		-
Supplies	153,775		269,300		269,300		-
Capital outlay	37,500		31,149		31,149		-
	<u>667,272</u>		<u>851,012</u>		<u>851,012</u>		<u>-</u>
Libraries:							
Other costs	229,500		229,500		229,500		-
	<u>229,500</u>		<u>229,500</u>		<u>229,500</u>		<u>-</u>
TOTAL CULTURE/RECREATION	\$ 1,514,289	#	\$ 1,760,775		\$ 1,760,775		\$ -

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
HOUSING AND DEVELOPMENT				
Agricultural Resources:				
Personal services	\$ 106,542	\$ 106,530	\$ 106,530	\$ -
Purchased/contracted	9,825	3,983	3,983	-
Supplies	4,147	3,384	3,384	-
Other costs	19,925	18,830	18,830	-
	<u>140,439</u>	<u>132,727</u>	<u>132,727</u>	<u>-</u>
Forest Resources:				
Personal services	43,159	44,666	44,666	-
Purchased/contracted	4,560	4,560	4,560	-
	<u>47,719</u>	<u>49,226</u>	<u>49,226</u>	<u>-</u>
Protective Inspection:				
Personal services	390,118	453,768	453,768	-
	<u>390,118</u>	<u>453,768</u>	<u>453,768</u>	<u>-</u>
Planning and Zoning:				
Personal services	359,699	376,546	376,546	-
Purchased/contracted	48,320	45,489	45,489	-
Supplies	25,700	29,659	29,659	-
Capital outlay	-	27,074	27,074	-
	<u>433,719</u>	<u>478,768</u>	<u>478,768</u>	<u>-</u>
Code Enforcement:				
Personal services	-	3,355	3,355	-
	<u>-</u>	<u>3,355</u>	<u>3,355</u>	<u>-</u>
Economic Development:				
Other costs	213,546	213,546	213,546	-
	<u>213,546</u>	<u>213,546</u>	<u>213,546</u>	<u>-</u>
Other Costs:				
Other costs	8,082	8,082	8,082	-
	<u>8,082</u>	<u>8,082</u>	<u>8,082</u>	<u>-</u>
TOTAL HOUSING AND DEVELOPMENT	1,233,623	1,339,472	1,339,472	-
GRAND TOTAL	<u>\$ 29,737,740</u>	<u>\$ 31,407,612</u>	<u>\$ 31,407,612</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2004

	<u>Project Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total To Date</u>
Revenues				
Taxes	\$ 43,700,000	\$ 8,707,476	\$ 7,238,912	\$ 15,946,388
Investment income	-	671,956	225,304	897,260
Miscellaneous	-	(7,325)	615	6,710
Total revenues	<u>43,700,000</u>	<u>9,372,107</u>	<u>7,464,831</u>	<u>16,850,358</u>
Expenditures				
Debt service:				
Issuance costs	330,000	358,509	-	358,509
Capital outlay	<u>43,700,000</u>	<u>3,817,370</u>	<u>17,874,216</u>	<u>21,691,586</u>
Total expenditures	<u>44,030,000</u>	<u>4,175,879</u>	<u>17,874,216</u>	<u>22,050,095</u>
Excess of revenues over (under) expenditures	<u>(330,000)</u>	<u>5,196,228</u>	<u>(10,409,385)</u>	<u>(5,213,157)</u>
Other financing sources (uses)				
Bond proceeds general obligation	27,880,000	27,880,000	-	27,880,000
Premiums on debt issued	421,788	421,788	-	421,788
Transfers in	-	448,786	-	448,786
Transfers (out)	<u>(31,324,500)</u>	<u>(7,208,352)</u>	<u>(6,489,256)</u>	<u>(13,697,608)</u>
Total other financing sources and (uses)	<u>(3,022,712)</u>	<u>21,542,222</u>	<u>(6,489,256)</u>	<u>15,052,966</u>
Net change in fund balances	<u>\$ (3,352,712)</u>	<u>\$ 26,738,450</u>	<u>(16,898,641)</u>	<u>\$ 9,839,809</u>
Fund balances - beginning			<u>26,753,100</u>	
Fund balances - ending			<u>\$ 9,854,459</u>	

WALTON COUNTY, GEORGIA
Debt Service Fund
Balance Sheet
June 30, 2004

	<u>2004</u>
Assets	
Investments with fiscal agent	\$ 598,071
Total assets	<u>\$ 598,071</u>
 Liabilities and fund balance	
Liabilities:	
Accrued interest payable	\$ 88,982
Total liabilities	<u>88,982</u>
 Fund balance:	
Reserved	509,089
Total fund balance	<u>509,089</u>
Total liabilities and fund balance	<u>\$ 598,071</u>

WALTON COUNTY, GEORGIA
Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest and dividends	\$ -	\$ 24,702	\$ 24,702	\$ -
Total revenues	<u>-</u>	<u>24,702</u>	<u>24,702</u>	<u>-</u>
Expenditures				
General Government	-	701,520	701,520	-
Debt service				
Principal	1,828,432	6,695,136	6,695,136	-
Interest	499,876	1,230,550	1,230,550	-
Administrative	7,500	7,638	7,638	-
Total expenditures	<u>2,335,808</u>	<u>8,634,844</u>	<u>8,634,844</u>	<u>-</u>
Excess of revenues under expenditures	<u>(2,335,808)</u>	<u>(8,610,142)</u>	<u>(8,610,142)</u>	<u>-</u>
Other financing sources (uses)				
Capital lease proceeds	505,259	-	-	-
Transfers (out)	(505,259)	-	-	-
Transfers in	2,335,808	8,660,059	8,660,059	-
Total other financing sources (uses)	<u>2,335,808</u>	<u>8,660,059</u>	<u>8,660,059</u>	<u>-</u>
Excess of revenues and other sources under expenditures and other uses	<u>\$ -</u>	<u>\$ 49,917</u>	49,917	<u>\$ -</u>
Fund balance - beginning			456,153	
Prior period adjustment			<u>3,019</u>	
Fund balance - ending			<u>\$ 509,089</u>	

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Emergency 911 – This fund is used to account for the fee collection and the operation of the Emergency 911 system within the County.

DARE – This fund is used to account for the collection of DARE fine monies and the subsequent youth education for the Drug Abuse Resistance Education program.

Forfeited Drug – This fund is used to account for the government’s share of monies that have been forfeited through the court system that are legally restricted for law enforcement purposes.

Seized Drug – This fund is used to account for monies that have been seized and are awaiting court condemnation.

Law Library – This fund provides for the operation and maintenance of the County’s Law Library.

Crime Victim Assistance – This fund accounts for funds received from certain fines and grants for the operation of a victim assistance program.

DATEF – This fund accounts for the monies received from certain fines that can be used for drug awareness programs.

Clerk’s Authority – This fund accounts for grants received from the Clerk’s Authority of Georgia for the advancement of reporting within the Clerk of Superior Court.

Juvenile Supplemental Services – This fund accounts for certain fines received through juvenile court that are used for juvenile counseling services.

Multiple Grant – This fund is used to account for various grants received by the government that are not used for general fund operations.

Sheriff’s Department—This fund is used to account for various receipts for special projects handled by this fund.

Greenspace Grant – This fund is used to account for monies received from the Georgia Greenspace Trust that is legally restricted for purchase of property to be held as greenspace property.

WALTON COUNTY, GEORGIA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2004

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 1,048,145	\$ 5,000	\$ 1,053,145
Accounts receivable	5,147	-	5,147
Investments	36,027	-	36,027
Due from other funds	5,543	-	5,543
Due from other governments	28,770	-	28,770
Total assets	\$ 1,123,632	\$ 5,000	\$ 1,128,632
 Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ 60,535	\$ -	\$ 60,535
Accrued liabilities	43,568	-	43,568
Due to other funds	18,767	-	18,767
Due to others	247,491	-	247,491
Total liabilities	370,361	-	370,361
 Fund balances:			
Unreserved, reported in nonmajor:			
Special revenue funds	753,271	-	753,271
Capital project funds	-	5,000	5,000
Total fund balances	753,271	5,000	758,271
Total liabilities and fund balances	\$ 1,123,632	\$ 5,000	\$ 1,128,632

WALTON COUNTY, GEORGIA
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2004

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Charges for services	\$ 962,035	\$ -	\$ 962,035
Fines and forfeitures	157,333	-	157,333
Intergovernmental	303,297	158,724	462,021
Interest	5,672	53	5,725
Donations	40,254	-	40,254
Other	102,168	-	102,168
Total revenues	<u>1,570,759</u>	<u>158,777</u>	<u>1,729,536</u>
Expenditures			
Current:			
General government	847,849	-	847,849
Judicial	65,022	-	65,022
Public safety	1,348,853	-	1,348,853
Capital outlay	-	76,118	76,118
Total expenditures	<u>2,261,724</u>	<u>76,118</u>	<u>2,337,842</u>
Excess of revenues over (under) expenditures	<u>(690,965)</u>	<u>82,659</u>	<u>(608,306)</u>
Other financing sources (uses)			
Transfers (out)	(1,789,156)	(95,246)	(1,884,402)
Transfers in	1,981,790	-	1,981,790
Total other financing sources (uses)	<u>192,634</u>	<u>(95,246)</u>	<u>97,388</u>
Net change in fund balance	(498,331)	(12,587)	(510,918)
Fund balance - beginning	1,192,611	17,587	1,210,198
Prior period adjustment	58,991	-	58,991
Fund balance - ending	<u>\$ 753,271</u>	<u>\$ 5,000</u>	<u>\$ 758,271</u>

WALTON COUNTY, GEORGIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2004

	Emergency 911	DARE Program	Forfeited Drug Seizure Fund	Seized Drug Fund	Law Library	Crime Victim Assistance
Assets						
Cash	\$ -	\$ 15,868	\$ 14,920	\$ 42,632	\$ 25,780	\$ 278,553
Accounts Receivable	5,147	-	-	-	-	-
Investments	-	-	-	-	36,027	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due from others	-	-	-	-	-	-
	Total assets	\$ 15,868	\$ 14,920	\$ 42,632	\$ 61,807	\$ 278,553
	\$ 5,147	\$ 15,868	\$ 14,920	\$ 42,632	\$ 61,807	\$ 278,553
Liabilities and fund balance						
Liabilities:						
Accounts payable	\$ 49,683	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and wages payable	43,568	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
	Total liabilities	-	-	-	-	-
	93,251	-	-	-	-	-
Fund balances:						
Unreserved, reported in nonmajor:						
Special revenue funds	(88,104)	15,868	14,920	42,632	61,807	278,553
	Total fund balances	15,868	14,920	42,632	61,807	278,553
	(88,104)	15,868	14,920	42,632	61,807	278,553
Total liabilities and fund balance	\$ 5,147	\$ 15,868	\$ 14,920	\$ 42,632	\$ 61,807	\$ 278,553

<u>DATEF</u>	<u>Clerk's Authority</u>	<u>Juvenile Supplemental Services</u>	<u>Multiple Grant Fund</u>	<u>Volunteer Fire</u>	<u>Sheriff's Department</u>	<u>Greenspace Trust Fund</u>	<u>Total</u>
\$ 87,086	\$ 90,446	\$ 111,207	\$ 31,873	\$ 36,565	\$ 77,232	\$ 235,983	\$ 1,048,145
-	-	-	-	-	-	-	5,147
-	-	-	-	-	-	-	36,027
-	5,543	-	-	-	-	-	5,543
-	-	-	28,770	-	-	-	28,770
-	-	-	-	-	-	-	-
<u>\$ 87,086</u>	<u>\$ 95,989</u>	<u>\$ 111,207</u>	<u>\$ 60,643</u>	<u>\$ 36,565</u>	<u>\$ 77,232</u>	<u>\$ 235,983</u>	<u>\$ 1,123,632</u>
\$ -	\$ -	\$ -	\$ 10,852	\$ -	\$ -	\$ -	\$ 60,535
-	-	-	-	-	-	-	43,568
18,159	-	-	8	-	-	600	18,767
-	-	-	12,616	-	-	234,875	247,491
<u>18,159</u>	<u>-</u>	<u>-</u>	<u>23,476</u>	<u>-</u>	<u>-</u>	<u>235,475</u>	<u>370,361</u>
<u>68,927</u>	<u>95,989</u>	<u>111,207</u>	<u>37,167</u>	<u>36,565</u>	<u>77,232</u>	<u>508</u>	<u>753,271</u>
<u>68,927</u>	<u>95,989</u>	<u>111,207</u>	<u>37,167</u>	<u>36,565</u>	<u>77,232</u>	<u>508</u>	<u>753,271</u>
<u>\$ 87,086</u>	<u>\$ 95,989</u>	<u>\$ 111,207</u>	<u>\$ 60,643</u>	<u>\$ 36,565</u>	<u>\$ 77,232</u>	<u>\$ 235,983</u>	<u>\$ 1,123,632</u>

WALTON COUNTY, GEORGIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2004

	<u>Emergency 911</u>	<u>DARE Program</u>	<u>Forfeited Drug Seizure Fund</u>	<u>Seized Drug Fund</u>	<u>Law Library</u>	<u>Crime Victim Assistance</u>
Revenues						
Charges for services	\$ 892,460	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	109,102
Intergovernmental	-	-	21,118	-	62,253	-
Interest	-	-	52	83	28	1,506
Donations	-	17,759	-	-	-	-
Other	26,504	-	-	28,010	-	-
Total revenues	<u>918,964</u>	<u>17,759</u>	<u>21,170</u>	<u>28,093</u>	<u>62,281</u>	<u>110,608</u>
Expenditures						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	65,022	-
Public safety	1,148,828	25,528	10,965	16,922	-	51,278
Total expenditures	<u>1,148,828</u>	<u>25,528</u>	<u>10,965</u>	<u>16,922</u>	<u>65,022</u>	<u>51,278</u>
Excess of revenues over (under) expenditures	<u>(229,864)</u>	<u>(7,769)</u>	<u>10,205</u>	<u>11,171</u>	<u>(2,741)</u>	<u>59,330</u>
Other financing sources (uses)						
Transfers (out)	(1,571,794)	-	(2,436)	-	-	(45,063)
Transfers in	1,773,390	-	-	-	-	-
Total other financing sources (uses)	<u>201,596</u>	<u>-</u>	<u>(2,436)</u>	<u>-</u>	<u>-</u>	<u>(45,063)</u>
Net change in fund balance	(28,268)	(7,769)	7,769	11,171	(2,741)	14,267
Fund balance - beginning	<u>(59,836)</u>	<u>23,637</u>	<u>7,151</u>	<u>31,461</u>	<u>64,548</u>	<u>264,286</u>
Prior period adjustment	-	-	-	-	-	-
Fund balance - ending	<u>\$ (88,104)</u>	<u>\$ 15,868</u>	<u>\$ 14,920</u>	<u>\$ 42,632</u>	<u>\$ 61,807</u>	<u>\$ 278,553</u>

<u>DATEF</u>	<u>Clerk's Authority</u>	<u>Juvenile Supplemental Services</u>	<u>Multiple Grant Fund</u>	<u>Volunteer Fire</u>	<u>Sheriff's Department</u>	<u>Greenspace Trust Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,575	\$ -	\$ 962,035
48,231	-	-	-	-	-	-	157,333
-	-	-	219,926	-	-	-	303,297
320	514	-	-	-	409	2,760	5,672
-	-	-	-	22,495	-	-	40,254
-	15,751	29,378	-	-	2,525	-	102,168
<u>48,551</u>	<u>16,265</u>	<u>29,378</u>	<u>219,926</u>	<u>22,495</u>	<u>72,509</u>	<u>2,760</u>	<u>1,570,759</u>
-	-	-	353,617	-	2,970	491,262	847,849
-	-	-	-	-	-	-	65,022
<u>24,190</u>	<u>600</u>	<u>25,621</u>	<u>-</u>	<u>44,921</u>	<u>-</u>	<u>-</u>	<u>1,348,853</u>
<u>24,190</u>	<u>600</u>	<u>25,621</u>	<u>353,617</u>	<u>44,921</u>	<u>2,970</u>	<u>491,262</u>	<u>2,261,724</u>
<u>24,361</u>	<u>15,665</u>	<u>3,757</u>	<u>(133,691)</u>	<u>(22,426)</u>	<u>69,539</u>	<u>(488,502)</u>	<u>(690,965)</u>
(18,159)	(2,240)	-	(82,943)	-	(66,521)	-	(1,789,156)
<u>-</u>	<u>-</u>	<u>-</u>	<u>207,750</u>	<u>-</u>	<u>-</u>	<u>650</u>	<u>1,981,790</u>
<u>(18,159)</u>	<u>(2,240)</u>	<u>-</u>	<u>124,807</u>	<u>-</u>	<u>(66,521)</u>	<u>650</u>	<u>192,634</u>
6,202	13,425	3,757	(8,884)	(22,426)	3,018	(487,852)	(498,331)
<u>62,725</u>	<u>82,564</u>	<u>107,450</u>	<u>46,051</u>	<u>-</u>	<u>74,214</u>	<u>488,360</u>	<u>1,192,611</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,991</u>	<u>-</u>	<u>-</u>	<u>58,991</u>
<u>\$ 68,927</u>	<u>\$ 95,989</u>	<u>\$111,207</u>	<u>\$ 37,167</u>	<u>\$36,565</u>	<u>\$ 77,232</u>	<u>\$ 508</u>	<u>\$ 753,271</u>

WALTON COUNTY, GEORGIA
Emergency 911 Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Charges for services	\$ 878,175	\$ 892,460	\$ 892,460	\$ -
Other	12,958	26,504	26,504	-
Total revenues	<u>891,133</u>	<u>918,964</u>	<u>918,964</u>	<u>-</u>
Expenditures				
Public safety	<u>1,208,726</u>	<u>1,148,828</u>	<u>1,148,828</u>	<u>-</u>
Total expenditures	<u>1,208,726</u>	<u>1,148,828</u>	<u>1,148,828</u>	<u>-</u>
Excess of revenues under expenditures	<u>(317,593)</u>	<u>(229,864)</u>	<u>(229,864)</u>	<u>-</u>
Other financing sources (uses)				
Transfers out	891,133	(1,571,794)	(1,571,794)	-
Transfers in	<u>1,211,212</u>	<u>1,773,390</u>	<u>1,773,390</u>	<u>-</u>
Total other financing sources (uses)	<u>2,102,345</u>	<u>201,596</u>	<u>201,596</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,784,752</u>	<u>\$ (28,268)</u>	<u>(28,268)</u>	<u>-</u>
Fund balance - beginning			<u>(59,836)</u>	<u>59,836</u>
Fund balance - ending			<u>\$ (88,104)</u>	<u>\$ 59,836</u>

WALTON COUNTY, GEORGIA
DARE Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Donations	\$ 20,150	\$ 17,759	\$ 17,759	\$ -
Total revenues	20,150	17,759	17,759	-
Expenditures				
Public safety	20,150	25,528	25,528	-
Total expenditures	20,150	25,528	25,528	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (7,769)</u>	(7,769)	-
Fund balance - beginning			<u>23,637</u>	<u>(23,637)</u>
Fund balance - ending			<u>\$ 15,868</u>	<u>\$ (23,637)</u>

WALTON COUNTY, GEORGIA
Forfeited Drug Seizure Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ -	\$ 52	\$ 52	\$ -
Intergovernmental	14,650	21,118	21,118	-
Other	-	-	-	-
Total revenues	14,650	21,170	21,170	-
Expenditures				
Public safety	14,650	10,965	10,965	-
Total expenditures	14,650	10,965	10,965	-
Net change in fund balance	-	10,205	10,205	-
Other Financing Sources:				
Transfers in (out)	-	(2,436)	(2,436)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,769</u>	7,769	-
Fund balance - beginning			<u>7,151</u>	<u>7,151</u>
Fund balance - ending			<u>\$ 14,920</u>	<u>\$ 7,151</u>

WALTON COUNTY, GEORGIA
Seized Drug Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ -	\$ 83	\$ 83	\$ -
Other	4,500	28,010	28,010	-
Total revenues	<u>4,500</u>	<u>28,093</u>	<u>28,093</u>	<u>-</u>
Expenditures				
Public safety	4,500	16,922	16,922	-
Total expenditures	<u>4,500</u>	<u>16,922</u>	<u>16,922</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,171</u>	11,171	-
Fund balance - beginning			<u>31,461</u>	<u>31,461</u>
Fund balance - ending			<u>\$ 42,632</u>	<u>\$ 31,461</u>

WALTON COUNTY, GEORGIA
Law Library Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 1,000	\$ 28	\$ 28	\$ -
Intergovernmental	41,300	62,253	62,253	-
Total revenues	<u>42,300</u>	<u>62,281</u>	<u>62,281</u>	-
Expenditures				
Judicial	42,300	65,022	65,022	-
Total expenditures	<u>42,300</u>	<u>65,022</u>	<u>65,022</u>	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (2,741)</u>	(2,741)	-
Fund balance - beginning			<u>64,548</u>	<u>17,643</u>
Fund balance - ending			<u>\$ 61,807</u>	<u>\$ 17,643</u>

WALTON COUNTY, GEORGIA
Crime Victim Assistance Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Fines and forfeitures	\$ 10,125	\$ 109,102	\$ 109,102	\$ -
Interest Income	-	1,506	1,506	-
Total revenues	<u>10,125</u>	<u>110,608</u>	<u>110,608</u>	<u>-</u>
Expenditures				
Public safety	10,125	51,278	51,278	-
Total expenditures	<u>10,125</u>	<u>51,278</u>	<u>51,278</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>59,330</u>	<u>59,330</u>	<u>-</u>
Other financing sources				
Transfers out		(45,063)	(45,063)	-
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>(45,063)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 59,330</u>	14,267	-
Fund balance - beginning			<u>264,286</u>	<u>(264,286)</u>
Fund balance - ending			<u>\$ 278,553</u>	<u>\$ (264,286)</u>

WALTON COUNTY, GEORGIA
DATEF Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 3,700	\$ 320	\$ 320	\$ -
Fines and forfeitures	53,840	48,231	48,231	-
Total revenues	<u>57,540</u>	<u>48,551</u>	<u>48,551</u>	-
Expenditures				
Public safety	64,159	24,190	24,190	-
Total expenditures	<u>64,159</u>	<u>24,190</u>	<u>24,190</u>	-
Excess of revenues under expenditures	<u>(6,619)</u>	<u>24,361</u>	<u>24,361</u>	-
Other financing uses				
Transfers (out)	(55,159)	(18,159)	(18,159)	-
Total other financing uses	<u>(55,159)</u>	<u>(18,159)</u>	<u>(18,159)</u>	-
Net change in fund balance	<u>\$ (61,778)</u>	<u>\$ 6,202</u>	6,202	-
Fund balance - beginning			<u>62,725</u>	<u>(62,725)</u>
Fund balance - ending			<u>\$ 68,927</u>	<u>\$ (62,725)</u>

WALTON COUNTY, GEORGIA
Clerk's Authority Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ -	\$ 514	\$ 514	\$ -
Other	-	15,751	15,751	-
Total revenues	-	16,265	16,265	-
Expenditures				
Public safety	-	600	600	-
Total expenditures	-	600	600	-
Excess of revenues under expenditures	-	15,665	15,665	-
Other financing uses				
Transfers (out)	-	(2,240)	(2,240)	-
Total other financing uses	-	(2,240)	(2,240)	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 13,425</u>	13,425	-
Fund balance - beginning			<u>82,564</u>	<u>(82,564)</u>
Fund balance - ending			<u>\$ 95,989</u>	<u>\$ (82,564)</u>

WALTON COUNTY, GEORGIA
Juvenile Supplemental Services - Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Other	\$ -	\$ 29,378	\$ 29,378	\$ -
Total revenues	<u>-</u>	<u>29,378</u>	<u>29,378</u>	<u>-</u>
Expenditures				
Public safety	-	25,621	25,621	-
Total expenditures	<u>-</u>	<u>25,621</u>	<u>25,621</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,757</u>	3,757	-
Fund balance - beginning			<u>107,450</u>	<u>(107,450)</u>
Fund balance - ending			<u>\$ 111,207</u>	<u>\$ (107,450)</u>

WALTON COUNTY, GEORGIA
Multiple Grant Fund - Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 324,664	\$ 219,926	\$ 219,926	\$ -
Interest	-	-	-	-
Total revenues	<u>324,664</u>	<u>219,926</u>	<u>219,926</u>	<u>-</u>
Expenditures				
General government	<u>432,916</u>	<u>353,617</u>	<u>353,617</u>	<u>-</u>
Total expenditures	<u>432,916</u>	<u>353,617</u>	<u>353,617</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(108,252)</u>	<u>(133,691)</u>	<u>(133,691)</u>	<u>-</u>
Other financing sources (uses)				
Transfers out	(294,604)	(82,943)	(82,943)	-
Transfers in	<u>403,955</u>	<u>207,750</u>	<u>207,750</u>	<u>-</u>
Total other financing sources (uses)	<u>109,351</u>	<u>124,807</u>	<u>124,807</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,099</u>	<u>\$ (8,884)</u>	<u>(8,884)</u>	<u>-</u>
Fund balance - beginning			<u>46,051</u>	<u>(46,051)</u>
Fund balance - ending			<u>\$ 37,167</u>	<u>\$ (46,051)</u>

WALTON COUNTY, GEORGIA
Greenspace Trust Fund - Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	2,760	2,760	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>2,760</u>	<u>2,760</u>	<u>-</u>
Expenditures				
General government	<u>254,500</u>	<u>491,262</u>	<u>491,262</u>	<u>-</u>
Total expenditures	<u>254,500</u>	<u>491,262</u>	<u>491,262</u>	<u>-</u>
Net change in fund balance	<u>(254,500)</u>	<u>(488,502)</u>	<u>(488,502)</u>	<u>-</u>
Other Financing Sources:				
Transfers (out)	<u>-</u>	<u>650</u>	<u>650</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (254,500)</u></u>	<u><u>\$ (487,852)</u></u>	<u>(487,852)</u>	<u>-</u>
Fund balance - beginning			<u>488,360</u>	<u>(488,360)</u>
Fund balance - ending			<u><u>\$ 508</u></u>	<u><u>\$ (488,360)</u></u>

WALTON COUNTY, GEORGIA
Sheriff's Department - Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Charges for Services	\$ -	\$ 69,575	\$ 69,575	\$ -
Interest	-	409	409	-
Other	-	2,525	2,525	-
Total revenues	-	72,509	72,509	-
Expenditures				
General government	-	2,970	2,970	-
Total expenditures	-	2,970	2,970	-
Excess of revenues over expenditures	-	69,539	69,539	-
Other financing sources:				
Transfers (out)	-	(66,521)	(66,521)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,018</u>	3,018	-
Fund balance - beginning			<u>74,214</u>	<u>(74,214)</u>
Fund balance - ending			<u>\$ 77,232</u>	<u>\$ (74,214)</u>

WALTON COUNTY, GEORGIA
Volunteer Fire Fighters
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Contributions	\$ -	\$ 22,495	\$ 22,495	\$ -
Total revenues	-	22,495	22,495	-
Expenditures				
Public Safety	-	44,921	44,921	-
Total expenditures	-	44,921	44,921	-
Excess of revenues over expenditures	-	(22,426)	(22,426)	-
Other financing sources:				
Transfers (out)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (22,426)</u>	(22,426)	-
Fund balance - beginning			-	-
Prior period adjustment			58,991	
Fund balance - ending			<u>\$ 36,565</u>	<u>\$ -</u>

Capital Projects Fund

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

WALTON COUNTY, GEORGIA
Capital Projects Fund
Balance Sheet
June 30, 2004

	2004
Assets	
Cash	\$ 5,000
Due from other funds	-
Total assets	\$ 5,000
 Liabilities and fund balance	
Liabilities:	
Due to others	\$ -
Due to other funds	-
Total liabilities	-
 Fund balances:	
Unreserved, reported in nonmajor:	
Capital project funds	5,000
Total fund balance	5,000
Total liabilities and fund balance	\$ 5,000

WALTON COUNTY, GEORGIA
Capital Projects Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2004

	Capital Projects			Total To Date
	Project Budget	Prior Year	Current Year	
Revenues				
Intergovernmental	\$ 500,000	\$ 5,000	\$ 158,724	\$ 163,724
Other	-	-	-	-
Interest	-	-	53	53
Total revenues	<u>500,000</u>	<u>5,000</u>	<u>158,777</u>	<u>163,777</u>
Expenditures				
Purchased/Contracted	-	-	300	300
Capital outlay	645,009	11,680	75,818	87,498
Total expenditures	<u>645,009</u>	<u>11,680</u>	<u>76,118</u>	<u>87,798</u>
Excess of revenues over (under) expenditures	<u>(145,009)</u>	<u>(6,680)</u>	<u>82,659</u>	<u>75,979</u>
Other financing sources (uses)				
Transfers in	145,009	-	-	-
Transfers out	-	-	(95,246)	(95,246)
Total other financing sources (uses)	<u>145,009</u>	<u>-</u>	<u>(95,246)</u>	<u>(95,246)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6,680)</u>	<u>(12,587)</u>	<u>\$ (19,267)</u>
Fund balance - beginning			<u>17,587</u>	
Fund balance - ending			<u>\$ 5,000</u>	

Nonmajor Business-type Funds

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other Departments or agencies of the government on a cost reimbursement basis.

Employee's Health Benefits – Established to account for employer and employee contributions for self-funded health insurance coverage.

Worker's Compensation Insurance– Established to provide self-insurance for worker's compensation and coverage for short-term disability for all employees.

WALTON COUNTY, GEORGIA
Internal Service Funds
Combining Statement of Net Assets
June 30, 2004

	<u>Employee Benefits Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 109,132	\$ -	\$ 109,132
Investments	<u>1,177,795</u>	<u>267,943</u>	<u>1,445,738</u>
Total assets	<u>1,286,927</u>	<u>267,943</u>	<u>1,554,870</u>
Liabilities			
Current liabilities			
Bank overdraft	164,338	-	164,338
Accounts payable	<u>53,137</u>	<u>20,004</u>	<u>73,141</u>
Total liabilities	<u>217,475</u>	<u>20,004</u>	<u>237,479</u>
Net assets			
Unreserved:			
Designated for employee benefits	<u>1,069,452</u>	<u>247,939</u>	<u>1,317,391</u>
Total net assets	<u>\$ 1,069,452</u>	<u>\$ 247,939</u>	<u>\$ 1,317,391</u>

WALTON COUNTY, GEORGIA
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2004

	<u>Employee Benefits Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
Revenues			
Other revenues	\$ 4,494,928	\$ -	\$ 4,494,928
Total operating revenues	<u>4,494,928</u>	<u>-</u>	<u>4,494,928</u>
Expenses			
Non departmental	3,150,109	199,474	3,349,583
Total operating expenses	<u>3,150,109</u>	<u>199,474</u>	<u>3,349,583</u>
Operating loss	<u>1,344,819</u>	<u>(199,474)</u>	<u>1,145,345</u>
Nonoperating revenues			
Transfers in	-	100,911	100,911
Interest earned	10,821	10,527	21,348
Net increase in fair value of investments	(7,058)	-	(7,058)
Total nonoperating revenues	<u>3,763</u>	<u>111,438</u>	<u>115,201</u>
Net loss	1,348,582	(88,036)	1,260,546
Total net assets - beginning	<u>(279,130)</u>	<u>335,975</u>	<u>56,845</u>
Prior period adjustment	-	-	-
Total net assets - ending	<u>\$ 1,069,452</u>	<u>\$ 247,939</u>	<u>\$ 1,317,391</u>

WALTON COUNTY, GEORGIA
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2004

	Employee Benefits Fund	Workers Compensation Fund	Total
Cash flows from operating activities:			
Claims paid to outsiders	\$(3,620,633)	\$ (179,470)	\$ (3,800,103)
Cash from interfund services provided	4,494,928	-	4,494,928
Net cash used by operating activities	<u>874,295</u>	<u>(179,470)</u>	<u>694,825</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	-	100,911	100,911
Net cash provided by noncapital financing activities	<u>-</u>	<u>100,911</u>	<u>100,911</u>
Cash flows from investing activities:			
Net investment income	3,763	10,527	14,290
Net cash provided by investing activities	<u>3,763</u>	<u>10,527</u>	<u>14,290</u>
Net decrease in cash and cash equivalents	<u>878,058</u>	<u>(68,032)</u>	<u>810,026</u>
Cash and cash equivalents, July 1	408,868	335,975	744,843
Cash and cash equivalents, June 30	<u>\$ 1,286,926</u>	<u>\$ 267,943</u>	<u>\$ 1,554,869</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ 1,344,819	\$ (199,474)	\$ 1,145,345
Adjustments to reconcile operating income to net cash used by operating activities:			
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	(281,506)	20,004	(261,502)
Increase (decrease) in bank overdraft	(189,018)	-	(189,018)
Total adjustments	<u>(470,524)</u>	<u>20,004</u>	<u>(450,520)</u>
Net cash used by operating activities	<u>\$ 874,295</u>	<u>\$ (179,470)</u>	<u>\$ 694,825</u>

Fiduciary Funds

WALTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2004

	<u>Balance</u> <u>6/30/2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2004</u>
<u>TAX COMMISSIONER</u>				
Assets				
Cash	\$ 37,858	\$ 56,011,225	\$ 55,999,527	\$ 49,556
Receivables	7,479	162,262	161,425	8,315
	<u>\$ 45,337</u>	<u>\$ 56,173,487</u>	<u>\$ 56,160,952</u>	<u>\$ 57,871</u>
Liabilities				
Due to other funds	\$ (8,803)	\$ 20,998,435	\$ 20,989,632	\$ -
Due to other governments	2,490	35,079,030	35,081,520	-
Due to others	51,650	16,412	10,191	57,871
	<u>\$ 45,337</u>	<u>\$ 56,093,877</u>	<u>\$ 56,081,343</u>	<u>\$ 57,871</u>
<u>SHERIFF</u>				
Assets				
Cash	\$ 4,816	\$ 1,230,704	\$ 1,230,836	\$ 4,684
Liabilities				
Due to other funds	\$ -	\$ 937,074	\$ 937,102	\$ (28)
Due to others	4,816	293,630	293,734	4,712
	<u>\$ 4,816</u>	<u>\$ 1,230,704</u>	<u>\$ 1,230,836</u>	<u>\$ 4,684</u>
<u>CLERK OF SUPERIOR COURT</u>				
Assets				
Cash	\$ 355,507	\$ 4,544,398	\$ 4,692,370	\$ 207,535
	<u>\$ 355,507</u>	<u>\$ 4,544,398</u>	<u>\$ 4,692,370</u>	<u>\$ 207,535</u>
Liabilities				
Due to other funds	\$ -	\$ 2,002,527	\$ 2,002,527	\$ -
Due to other governments	-	804,441	804,441	-
Due to others	355,507	1,737,430	1,885,402	207,535
	<u>\$ 355,507</u>	<u>\$ 4,544,398</u>	<u>\$ 4,692,370</u>	<u>\$ 207,535</u>

WALTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2004

	<u>Balance</u> <u>6/30/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/04</u>
<u>PROBATE COURT</u>				
Assets				
Cash	\$ -	\$ 938,718	\$ 938,718	\$ -
	<u>\$ -</u>	<u>\$ 938,718</u>	<u>\$ 938,718</u>	<u>\$ -</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	211,291	211,291	-
Due to others	-	727,427	727,427	-
	<u>\$ -</u>	<u>\$ 938,718</u>	<u>\$ 938,718</u>	<u>\$ -</u>
<u>MAGISTRATE COURT</u>				
Assets				
Cash	\$ 29,583	\$ 686,231	\$ 686,543	\$ 29,271
	<u>\$ 29,583</u>	<u>\$ 686,231</u>	<u>\$ 686,543</u>	<u>\$ 29,271</u>
Liabilities				
Due to other funds	\$ -	\$ 247,468	\$ 247,468	\$ -
Due to other governments	-	29,937	29,937	-
Due to others	29,583	408,826	409,138	29,271
	<u>\$ 29,583</u>	<u>\$ 686,231</u>	<u>\$ 686,543</u>	<u>\$ 29,271</u>
<u>JUVENILE COURT</u>				
Assets				
Cash	\$ 2,743	\$ 22,241	\$ 20,243	\$ 4,741
	<u>\$ 2,743</u>	<u>\$ 22,241</u>	<u>\$ 20,243</u>	<u>\$ 4,741</u>
Liabilities				
Due to other governments	\$ -	\$ 19,500	\$ 19,500	\$ -
Due to others	2,743	2,741	743	4,741
	<u>\$ 2,743</u>	<u>\$ 22,241</u>	<u>\$ 20,243</u>	<u>\$ 4,741</u>

WALTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2004

	<u>Balance</u> <u>6/30/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/04</u>
<u>TAX ASSESSORS</u>				
Assets				
Cash	\$ 2,215	\$ 10,564	\$ 11,154	\$ 1,625
	<u>\$ 2,215</u>	<u>\$ 10,564</u>	<u>\$ 11,154</u>	<u>\$ 1,625</u>
Liabilities				
Due to other funds	\$ -	\$ 8,594	\$ 8,594	\$ -
Due to other governments	2,215	1,610	2,200	1,625
Due to others	-	360	360	-
	<u>\$ 2,215</u>	<u>\$ 10,564</u>	<u>\$ 11,154</u>	<u>\$ 1,625</u>
<u>PLANNING & DEVELOPMENT</u>				
Assets				
Cash	\$ -	\$ 1,259,658	\$ 1,259,658	\$ -
	<u>\$ -</u>	<u>\$ 1,259,658</u>	<u>\$ 1,259,658</u>	<u>\$ -</u>
Liabilities				
Due to other funds	\$ -	\$ 1,259,658	\$ 1,259,658	\$ -
	<u>\$ -</u>	<u>\$ 1,259,658</u>	<u>\$ 1,259,658</u>	<u>\$ -</u>
<u>ANIMAL CONTROL</u>				
Assets				
Cash	\$ -	\$ 27,153	\$ 27,059	\$ 94
	<u>\$ -</u>	<u>\$ 27,153</u>	<u>\$ 27,059</u>	<u>\$ 94</u>
Liabilities				
Due to other funds	\$ -	\$ 27,153	\$ 27,059	\$ 94
	<u>\$ -</u>	<u>\$ 27,153</u>	<u>\$ 27,059</u>	<u>\$ 94</u>
<u>TOTALS</u>				
Assets				
Cash	\$ 432,723	\$ 64,730,893	\$ 64,866,109	\$ 297,507
Receivables	7,479	162,262	161,425	8,316
	<u>\$ 440,202</u>	<u>\$ 64,893,155</u>	<u>\$ 65,027,534</u>	<u>\$ 305,823</u>
Liabilities				
Due to other funds	\$ (8,803)	\$ 25,500,409	\$ 25,491,540	\$ 66
Due to other governments	4,705	36,145,809	36,148,889	1,625
Due to others	444,300	3,186,827	3,326,995	304,132
	<u>\$ 440,202</u>	<u>\$ 64,833,045</u>	<u>\$ 64,967,424</u>	<u>\$ 305,823</u>

STATISTICAL SECTION

WALTON COUNTY, GEORGIA
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years
(000's omitted)
(Unaudited)

Fiscal Year	General Government	Judicial	Public Safety	Highways and Streets	Health and Welfare	Culture and Recreation	Housing and Development	Debt Service	Other	Total
2004	\$ 7,418	\$ 3,522	\$ 14,705	\$ 5,135	\$ 492	\$ 1,761	\$ 1,339	\$ 7,933	\$ 17,950	\$ 60,255
2003	5,219	2,951	13,898	4,939	629	1,403	1,144	7,411	3,605	41,199
2002	4,159	2,928	11,767	4,694	465	615	1,197	2,788	929	29,542
2001	4,080	2,443	9,323	2,718	-	53	-	2,062	5,225	25,904
2000	6,817	2,376	7,719	4,072	-	42	-	5,117	2,952	29,095
1999	6,275	2,027	6,848	3,721	-	46	-	1,291	2,406	22,614
1998	6,202	1,750	6,324	3,063	-	34	-	1,439	2,127	20,939
1997	5,533	1,782	5,571	3,198	-	39	-	1,258	2,366	19,747
1996	5,351	1,635	5,481	2,435	-	40	-	672	6,214	21,828
1995	5,356	1,562	4,790	2,594	-	48	-	331	4,563	19,244
1994	4,736	1,471	3,923	1,845	-	38	-	-	4,245	16,258

(1) Includes General, Special Revenue and Debt Service funds.

WALTON COUNTY, GEORGIA
General Governmental Revenues by Source (1)
Last Ten Fiscal Years
(000's omitted)
(Unaudited)

Fiscal Year	Taxes	Licenses and Permits	Charges for Services	Fines and Forfeitures	Inter-governmental	Interest	Other	Total
2004	\$ 34,801	\$ 934	\$ 4,394	\$ 1,359	\$ 734	\$ 342	\$ 371	\$ 42,935
2003	30,321	709	1,167	1,529	3,545	542	344	38,157
2002	23,306	747	3,197	1,507	2,008	252	65	31,082
2001	20,156	684	2,219	1,274	67	454	194	25,048
2000	19,144	842	752	1,040	1,097	303	1,209	24,387
1999	17,365	741	712	967	475	257	1,205	21,722
1998	15,365	604	629	964	581	354	1,226	19,723
1997	15,321	482	772	870	835	309	868	19,457
1996	14,093	389	643	752	461	377	884	17,599
1995	12,565	357	491	707	694	389	2,481	17,684

(1) Includes General, Special Revenue and Debt Service funds.

WALTON COUNTY, GEORGIA
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(000's omitted)
(Unaudited)

Fiscal Year	Property Tax	Sales Tax (1)	Franchise Tax	Alcoholic Beverage Tax	Insurance Premium Tax	Real Estate Transfer Tax	Other Taxes	Total
2004	\$ 19,410	\$ 12,181	\$ 116	\$ 180	\$ 1,524	\$ 1,230	\$ 493	\$ 35,134
2003	17,107	10,017	125	170	1,421	1,025	184	29,865
2002	16,459	4,460	144	166	1,287	716	-	23,232
2001	14,555	4,008	144	151	876	132	-	19,866
2000	14,012	3,601	143	130	830	134	-	18,850
1999	12,508	3,219	132	116	818	97	-	16,890
1998	10,696	2,805	110	101	781	79	-	14,572
1997	10,972	2,556	89	89	742	87	-	14,535
1996	10,048	2,314	106	85	696	74	-	13,323
1995	8,930	2,173	49	84	659	60	-	11,955

(1) Includes 1% Special Local Option Tax revenue.

WALTON COUNTY, GEORGIA
Property Tax Levies and Collections
Last Ten Fiscal Years
(000's omitted)
(Unaudited)

Fiscal Year	Total Levy	Total Tax Collections	% of Total Levy Collected	Outstanding Delinquent Taxes
2004	\$ 17,729	\$ 17,206	97.050%	\$ 523
2003	17,509	17,061	97.441%	448
2002	17,208	16,228	94.305%	980
2001	14,096	13,696	97.162%	400
2000	13,630	13,389	98.232%	241
1999	12,559	12,310	98.017%	249
1998	11,044	10,838	98.135%	206
1997	9,628	9,432	97.964%	196
1996	9,896	9,699	98.009%	197

WALTON COUNTY, GEORGIA
Assessed and Estimated Actual Value of Property
Last Ten Years
(000's omitted)
(Unaudited)

Fiscal Year	Real Property		Personal Property		Exemptions	Total		Ratio of Total Assessed Value To Total Est. Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property	Assessed Value	Estimated Actual Value	
2004	\$ 1,834,429	\$ 4,586,072	\$ 208,824	\$ 522,060	\$ 220,163	\$ 1,823,090	\$ 5,108,132	35.7%
2003	\$ 1,562,512	\$ 3,906,280	\$ 199,492	\$ 498,730	\$ 139,064	\$ 1,622,940	\$ 4,405,010	36.8%
2002	1,482,564	3,706,410	187,413	468,533	138,635	1,531,342	4,174,943	36.7%
2001	1,238,933	3,097,333	160,755	401,888	113,569	1,286,119	3,499,221	36.8%
2000	1,126,124	2,815,310	145,095	362,738	107,970	1,163,249	3,178,048	36.6%
1999	968,244	2,420,610	154,023	385,058	94,661	1,027,606	2,805,668	36.6%
1998	907,180	2,267,950	76,815	192,038	91,475	892,520	2,459,988	36.3%
1997	790,148	1,975,370	106,677	266,693	89,300	807,525	2,242,063	36.0%
1996	740,715	1,851,788	94,685	236,713	85,501	749,899	2,088,501	35.9%
1995	697,662	1,744,155	74,526	186,315	64,240	707,948	1,930,470	36.7%

WALTON COUNTY, GEORGIA
Property Tax Rate
Direct Overlapping Governments
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>State of Georgia</u>	<u>Walton County M & O</u>	<u>Walton County School M & O</u>	<u>Walton County School Bond</u>	<u>Total</u>
2004	0.25	10.08	17.02	0.88	\$ 28.23
2003	0.25	10.08	16.94	0.96	28.23
2002	0.25	10.08	16.95	0.99	28.27
2001	0.25	10.09	16.95	0.99	28.28
2000	0.25	10.09	18.04	1.05	29.43
1999	0.25	10.46	17.28	1.37	29.36
1998	0.25	10.69	15.32	1.54	27.80
1997	0.25	10.83	15.32	1.68	28.08
1996	0.25	11.83	15.75	1.75	29.58
1995	0.25	11.83	13.75	-	25.83

WALTON COUNTY, GEORGIA
Principal Taxpayers
Year Ending December 31, 2004
(000's omitted)
(Unaudited)

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Levied</u>	<u>Percentage of Total Assessed Value</u>
Walton EMC	\$ 15,515	\$ 438	0.85%
Pike Electric Inc.	13886	392	0.76%
Transcontinental Gas	13,071	369	0.72%
Avondale Mills	7,793	220	0.43%
Alltell GA Communications	6,589	186	0.36%
Georgia Transmissions Corporation	5,703	161	0.31%
Georgia Power Corp.	4,640	131	0.25%
Alexander Crossing	4,605	130	0.25%
Leggett Partners, LP	4,605	130	0.25%
BellSouth Telecomm Inc.	4,463	126	0.24%
	<u>\$ 80,870</u>	2,283	4.42%

Total Assessed for all Taxpayers \$ 1,823,091

WALTON COUNTY, GEORGIA
Special Assessment Billings and Collections
Last Ten Years
(000's omitted)
(Unaudited)

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessments Collected</u>	<u>Collected as Percentage of Billings</u>
2004	\$ 271	\$ 259	95.6%
2003	235	234	99.6%
2002	201	200	99.5%
2001	178	181	101.7%
2000	160	159	99.4%
1999	521	522	100.2%
1998	856	841	98.2%
1997	728	781	107.3%
1996	794	785	98.9%
1995	616	602	97.7%

WALTON COUNTY, GEORGIA
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
Fiscal year ended June 30, 2004
(amounts expressed in thousands)
(Unaudited)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
County Certificates of Participation 1994 General Obligation Bonds	1,420 <u>16,980</u>	100% 100%	1,420 <u>16,980</u>
Total Direct	18,400		18,400
Overlapping:			
Walton County Board of Education Walton County Development Authority Joint Development Authority of Jasper Morgan, Newton & Walton Counties	8,730 1,950 <u>8,100</u>	100% 100% 37.50%	8,730 1,950 <u>3,038</u>
Total Overlapping	<u>18,780</u>		<u>13,718</u>
Total Direct and Overlapping	37,180		32,118

WALTON COUNTY, GEORGIA
Computation of Legal Debt Margin
Fiscal year ended June 30, 2004
(amounts expressed in thousands)
(Unaudited)

Assessed valuations:	
Assessed value	\$ 1,823,091
Add back: exempt real property	<u>220,163</u>
Total assessed value	2,043,254
Legal debt margin:	
Debt limitation-10% of assessed value	204,325
Debt applicable to limitation:	
Total bonded debt	18,400
Less: Revenue bonds	<u>-</u>
Total debt applicable to limitation	<u>18,400</u>
Legal debt margin:	<u><u>\$ 185,925</u></u>

COMPLIANCE SECTION

Treadwell, Jamplin & Co.

Certified Public Accountants

A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

Phone: (706)342-1040
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Commissioners of
Walton County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Walton County, Georgia as of and for the year ended June 30, 2004, which collectively comprise Walton County's basic financial statements and have issued our report thereon dated December 17, 2004. We did not audit the financial statements of the Walton County Health Department. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Walton County Health Department, is based 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 with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

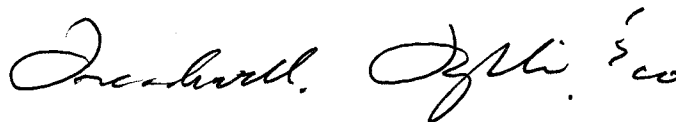
As part of obtaining reasonable assurance about whether Walton County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect 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 instances of noncompliance that are required to be reported under Government Auditing Standards which are described as 04-1 Lack of timely remittance of agency funds to state agencies.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Walton County, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Walton County, Georgia in a separate letter dated December 17, 2004.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

December 17, 2004



WALTON COUNTY, GEORGIA
Schedule of Projects Constructed
With Special 2001 Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2004

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>	<u>Percentage Complete</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Judicial - Administration building	\$ 17,785,000	\$ 1,118,082	\$9,820,526	\$ 10,938,608	61.50%
Jail Addition	\$ 9,938,000	\$ 998,252	\$6,736,614	\$ 7,734,866	77.83%
Recreation facilities	\$ 7,660,000	\$ 1,369,846	\$1,317,076	\$ 2,686,922	35.08%
Road Projects	\$ 8,317,000	\$ 331,190	\$ -	\$ 331,190	3.98%

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INDEPENDENT ACCOUNTANT'S REPORT ON STATE OF GEORGIA GRANT CERTIFICATION FORMS

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Walton County, Georgia's compliance during the fiscal year ended June 30, 2004 with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for each of the following award(s):

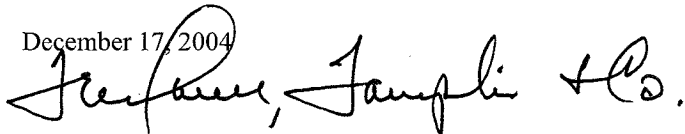
Special Project Appropriations		
Award amount	02-CL-455	\$ 20,000

Management is responsible for Walton County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Walton County, Georgia's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Walton County, Georgia's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Walton County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Walton County, Georgia complied with the aforementioned requirement for the fiscal year ended June 30, 2004 is fairly stated, in all material respects.

December 17, 2004



STATE OF GEORGIA GRANT CERTIFICATION FORM

A	Local Government	Walton County, GA
B	Information For Year Ended	6/30/2004
C	State Awarding Agency	Georgia Department of Community Affairs
D	Grant Identification Number	02-C-L-455
E	Grant Title	Local Assistance Grant
F	Grant Award Date	7/1/2001
G	Grant Amount	\$20,000
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	\$20,000
I	Grant Receipts or Revenue Recognized	\$-0-
J	Grant Disbursements or Expenditures	\$20,000
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J)	\$-0-

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. I understand that failure to comply with the provisions of the law applicable to this grant award shall result in a forfeiture of such grant and the return to the state of any such grant funds received.

Signature of Chief Elected Official Kevin W. Rittler Date 1-20-2005

Signature of Chief Financial Officer Wanda M. Daniel Date 1-19-2005

Treadwell, Jamplin & Co.

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REPORT ON SCHEDULE OF STATE CONTRACTUAL ASSISTANCE

We have audited the financial statements of Walton County, Georgia as of and for the year ended June 30, 2004, and have issued our report thereon dated December 17, 2004. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of state contractual assistance is presented for purposes of additional analysis as required by the Department of Human Resources and is not a required part of the financial statements of Walton County, Georgia. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Treadwell, Jamplin & Co.

December 17, 2004

WALTON COUNTY, GEORGIA
Schedule of State Contractual Assistance
For the Fiscal Year Ended June 30, 2004

<u>State Program Name</u>	<u>Contract Number</u>	<u>Actual Revenue Received</u>	<u>Expenditures</u>	<u>Amount Due To/From State</u>
Family Connection	93-45127	\$ 50,000	\$ 50,000	\$ -

Georgia Greenspace Annual Certification Form

	Current Year FY 2004	Previous Year/s FY 2001-2003
Local Government: Walton County, Georgia	Greenspace Goal Under Current Plan Total Acres: 17,983	Greenspace Goal Under Previous Plan Total Acres: -
Permanently Protected Greenspace acres, acquired through Trust Funds, and through other means.	Trust Funds: (total acres from this reporting year) 17,983 Other Means: -	Trust Funds: (total acres from this reporting year) - Other Means: -
Greenspace Grant Award	Date of Award:	Date of Award: 06/13/2001 05/24/2002 07/02/2002
Date, amount, interest earned, total expenditures, and Balance.	Amount of Award: \$ - Interest: 2,760 Minus expenditures: 255,738 Total Balance: \$ 236,629	Amount of Award: \$ 478,572 Interest: 10,418 Minus expenditures: 617 Total Balance: \$ 489,607
Greenspace Funds Expended Date parcel name acreage amount legal interest greenspace purpose served.	1. Date: 06/17/04 Parcel: Felker Acres: 17.983 Amount: 256,387.50 Interest: Walton County Purpose: Recreation 2. Date: Parcel: Acres: Amount: Interest: Purpose: 3. Date: Parcel: Acres: Amount: Interest: Purpose:	1. Date: None as yet Parcel: Acres: Amount: Interest: Purpose: 2. Date: Parcel: Acres: Amount: Interest: Purpose: 3. Date: Parcel: Acres: Amount: Interest: Purpose:

I have reviewed the information present above and certify that it is accurate and correct. I further certify that the grant award identified above, and all interest earned thereon, were expended solely to defray the costs of acquisition of greenspace as defined in O.C.G.A. 36-22-1 et seq, or the costs of conservation, scenic, or other easements which contribute to the goals set out for greenspace in O.C.G.A. 36-22-2. Lands, or interest in lands, designated as permanently protected greenspace, continue to serve one or more of the statutorily identified goals for greenspace in O.C.G.A. 36-22-2, and have not been converted to any other public or private use. Attached is a copy of the most recent annual audit of our capital accounts, which reflects all assets acquired using state greenspace grant funds. I understand the failure to comply with the provisions of the law applicable to this grant award may result in forfeiture of such grant and the return to the state of any such grant funds received.

Signature of Chief Elected Official Kevin W. Felker Date 1-20-2005
 Signature of Chief Financial Officer Wanda M. Daniel Date 1-19-2005

