

WALTON COUNTY, GEORGIA

Financial Statements

For the Fiscal Year Ended June 30, 2002

WALTON COUNTY, GEORGIA
Financial Statements
For the Fiscal Year Ended June 30, 2002

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INTRODUCTORY SECTION

WALTON COUNTY, GEORGIA

Principal Officials

Board of Commissioners

2002

Kevin Little	Chairman
Tab Bone	Commissioner District 1
Michael Turner	Commissioner District 2
Phil Green	Commissioner District 3
Louise Michael	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
District Attorney	Ken Wynn
Chief Magistrate Judge	Dan Pierce
Clerk of Superior Court	Kathy Trost
Coroner	Craig League
Probate Judge	Greg Adams
Sheriff	Al Yarbrough
Tax Commissioner	Patricia Malcom

FINANCIAL SECTION

Treadwell, Tamplin & 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 Walton County Development Authority, the Walton County Commission on Children and Youth, (both 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, 2002, 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 an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Walton County Health Department, which represent 16% and 73%, 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 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 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 opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose 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, 2002, 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.

As described in Note 1, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement NO. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as of June 30, 2002. The results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 19, 2003 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.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Walton County, Georgia basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, 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, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

April 19, 2003

Treadwell, Tamplin & Co., CPA's

WALTON COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002

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, 2002. 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 70.

FINANCIAL HIGHLIGHTS

- The County's net assets totaled \$62.2 million for its governmental and business-type activities, an *increase* of \$4.4 million over the previous fiscal year.
- Total combined revenues for governmental and business-type activities were \$36.5 million.
- Overall expenses were \$32.1 million, of which governmental activities were \$29.5 and business-type activities were \$2.6 million.
- As of June 30, 2002, governmental activities' expenses exceeded program revenue, resulting in the use of \$22 million in general revenues (primarily taxes).
- In the County's business-type activities, revenues were \$1.7 million and expenses were \$2.6 million, for an operating loss of approximately \$0.95 million for 2002. 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 \$0.13 million *less* than budgeted, however, expenditures were \$1.2 million *less* than budgeted.
- The combined governmental funds' balance as of June 30, 2002 was \$38.1 million, of which the special local option sales tax (SPLOST) Capital Projects Fund comprised \$29.3 million, the General Fund \$6.8 million and other governmental funds (special revenue, capital projects and debt service) the remaining \$2.0 million.
- The General Fund reported an *increase* of \$1.2 million in unreserved fund balance to \$6.8 million from the prior fiscal year. This compares with an unreserved fund balance of \$5.6 million and an increase of \$0.56 million in unreserved fund balance for the prior year.

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 one indicator 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, judiciary, 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 component 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 Net Assets* on page 15 and *Statement of Changes* beginning on page 67. 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 \$4.4 million from a year ago—from \$57.8 million to \$62.2 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 Activities	Business-type Activities	Total Primary Government
Assets:			
Current assets	\$ 41,700	\$ 191	\$ 41,891
Restricted assets- non current	27	-	27
Capital assets- net	53,945	755	54,700
Other assets	3,375	-	3,375
Total assets	99,047	946	99,993
Liabilities:			
Long-term debt outstanding	29,110	-	29,110
Other liabilities	8,530	90	8,620
Total liabilities	37,640	90	37,729
Net assets:			
Invested in capital assets, net of debt	48,630	755	49,385
Restricted	3,677		3,677
Unrestricted (deficit)	9,100	101	9,202
Total net assets	\$ 61,408	\$ 856	\$ 62,264

The County's total net assets (governmental and business-type activities) were \$62.3 million as of June 30, 2002. *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 \$9.2 million at the end of this year.

The largest portion of the County's net assets (approximately 79.3 %) 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 \$41.7 million for governmental activities is \$28.5 million from the proceeds of the Special Local Option Sales Tax Bonds issued midway through the year for construction of a County administration and judicial facility, additions to the County jail and for park and recreation facilities. These projects are in the design phase and construction is expected to begin before June 30, 2003 and be completed by November of 2004. The County has selected a 25-acre tract donation from among four commercial tracts offered by local landowners as the site for the new administration building, and is in the process of completing the transfer of the deed to that property at the fiscal year end.

The total net assets of our business-type activities increased by 32 percent (\$0.86 million compared to \$0.67 million) in 2002. 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 increase in total net assets of the County's business-type activities is primarily due to the addition of Emergency Medical Services to the County's existing business-type activity, Solid Waste & Recycling Operations, on July 1, 2001.

The County reports positive balances in all categories of net assets for FY 2002.

CHANGES IN NET ASSETS:

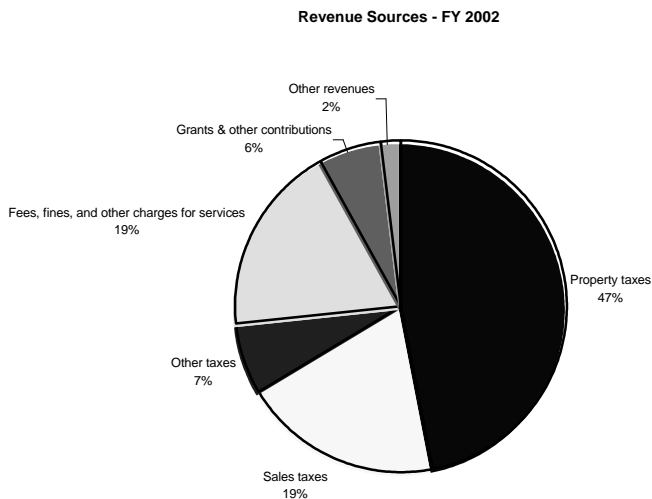
The County's total change in net assets was \$4.2 million from the prior fiscal year as a result of its governmental activities and \$0.21 million as a result of its business-type activities.

The imposition of a new 1% special local option sales tax beginning on January 1, 2002, which raised \$2.7 million during FY 2002, resulted in a significant increase in other tax revenues from the prior fiscal year.

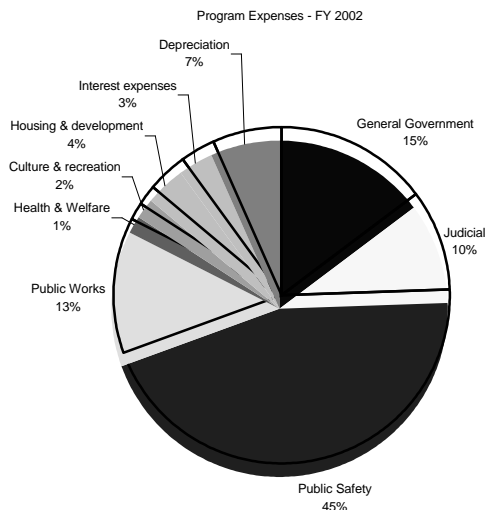
Table 2
Changes in Net Assets
(000's Omitted)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Revenues			
Program revenues:			
Charges for services	\$ 5,389	\$ 1,473	\$ 6,862
Operating grants	1,850	74	1,924
Capital grants	220	119	339
General revenues:			
Property taxes	17,186	-	17,186
Other taxes	9,552	-	9,552
Franchise fees	143	-	143
Investment earnings	565	1	565
Gain/(loss) and other	(44)	-	(44)
Total revenues	34,861	1,666	36,527
Program expenses			
General government	4,694	-	4,694
Judicial	3,170	-	3,170
Public Safety	12,773	1,667	14,440
Public Works	3,247	951	4,198
Health and welfare	465	-	465
Culture and recreation	639	-	639
Housing and development	1,290	-	1,290
Interest and fiscal charges	1,057	-	1,057
Unallocated depreciation	2,133	-	2,133
Total expenses	29,469	2,618	32,087
Transfers	(1,161)	1,161	-
Increase (decrease) in net assets	\$ 4,230	\$ 209	\$ 4,440

As can be seen from the chart following, approximately 47% of the County's combined total revenue is provided by property taxes, an additional 26% by sales and other taxes, and the remaining 27% by a combination of fees, fines, grants, gifts 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.



The County's major expenses, at 45% of the combined total, are clearly in the area of providing services to insure the public safety. These services include the Sheriff's office, jail operations, fire protection, emergency medical services, E-911, the coroner, animal control, and emergency management.



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 near-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 paid once a year, approximately five 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 2002 fiscal year with a balance of \$38.1 million in its governmental funds. Of this, the unreserved portion was \$37.4 million. The remaining \$0.7 million 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 balance was \$6.8 million, of which \$6.1 million was unreserved, 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 total expenditures for the General Fund and transfers out to other funds. The *unreserved* General Fund balance represents 20% of that total.

The fund balance in the general fund *increased* almost \$1.2 million during FY 2002, primarily due to an increase of \$3.1 million in revenues, but only a \$1.9 million increase in expenditures over the prior year. The bulk of the increase in revenues was provided by increased tax revenues from new development and 2001 tax digest reassessments, as the County millage rate was decreased slightly for 2002 property taxes. With the economic uncertainties surrounding the events of September 11, 2001, County offices made a concerted effort to forego all but the most essential expenditures for the remainder of the fiscal year. Additional information about the General Fund can be found in Exhibit 1, pages 35-41.

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 allocation 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 design of the buildings and park facilities was \$0.78 million for the fiscal year. The SPLOST fund balance was \$29.3 million at the close of FY 2002. Additional information on the SPLOST Capital Projects Fund can be found in Exhibit 2, page 42.

Other Governmental Funds:

Combined assets were \$2.3 million; liabilities \$0.36 million; and unreserved fund balance was \$almost \$2.0 for the year ended June 30, 2003. 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

Combined total assets of the above funds were \$1.2 million as of June 30, 2003; liabilities \$0.60 million and unreserved fund balances were almost \$1.2 million.

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 \$0.59 million; liabilities were \$0.13 million and fund balance was \$0.46 million at the close of FY 2002.

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. Capital Projects Funds had \$0.51 million in assets; \$0.17 million in liabilities; and fund balance of \$0.33 million as of June 30, 2002.

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 \$0.62 million, (or 65 %) to the business-type activities operating loss, while Emergency Medical Services contributed the remaining \$0.34 million, (or 35%). This compares with an operating loss for the prior fiscal year of \$0.57 million for Solid Waste & Recycling Operations and costs of \$0.46 million for operating losses on ambulance services provided by Walton Medical Center. The County began providing Emergency Medical Services 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 \$1.3 million; liabilities of \$0.88 million; and unreserved fund balances totaling \$0.38 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 67-69 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 \$0.28 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 (\$1.3 million) in budget line items were for expenses related to jail operations: housing inmates in other County jails and the costs of providing inmate medical care. The County began construction of a new work-release facility shortly after the end of FY 2002 to provide 60 additional beds for non-violent inmates and increased the hours of medical services included in the jail medical services contract for FY 2003.

Although both the County's original budget and the final budget projected virtually no increase in fund balance, the actual revenues and expenditures resulted in a \$1.2 million increase in Fund Balance on the GAAP basis. The positive expenditure variances were primarily the result of a reduction in the estimate of vacation wages to be paid in the ensuing twelve months, due to changes in County policies regarding payment for vacation, and analysis of recent experience. For additional information about accumulated unpaid vacation, see Note J, page 20 in the Notes to the Financial Statements.

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, 2002 amounts to \$53.9 million, net of accumulated depreciation of \$96.6 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 been heretofore not 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 \$0.45 million for governmental activities and \$.01 million for business-type activities. Depreciation expense for the period was \$3.8 million, of which \$2.1 million was for infrastructure. Additional information on Capital Assets can be found in Note 4 of the *Notes to the Financial Statements*, beginning on page 22.

Long-term Debt

As of June 30, 2003, Walton County had \$35.2 million in outstanding long-term debt principal, of which \$6.1 million is due within one year. Of the debt due within one year, \$5.1 million represents principal payments on the \$27,880,000 General Obligation Special Local Option Sales Tax Bonds issued December 21, 2001. County's revenues on SPLOST for sales taxes collected beginning January 1, 2002 through June 30, 2002 were \$2.7 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 \$27.8 million G/O Sales Tax Bond series 2001 was the only new bond issued by the County during the fiscal year. Standard and Poor's assigned the new bond issue a "AAA" rating.

The Board of Commissioners sets rigorous standards for sound financial management of the County, continually reviewing the needs of the community with the costs of providing for those needs and the various sources of funding available.

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, green space and government complexes 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 2003 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 waste water treatment and solid waste disposal.

The Board of Commissioners is dedicated to planning and preparing for growth.

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 Annex I, 132 East Spring Street, Monroe, Georgia 30655, or call 770-267-1301.

Basic Financial Statements

WALTON COUNTY, GEORGIA
Statement of Net Assets
June 30, 2002

	Governmental Activities	Business-type Activities	Total	Total Component Units
Assets				
Cash	\$ 4,062,299	\$ -	\$ 4,062,299	\$ 1,047,330
Pooled cash and investments	33,386,732	-	33,386,732	-
Investments, plus accrued interest	1,187,715	-	1,187,715	-
Accounts receivable, net	95,907	184,143	280,050	29,216
Taxes receivable, net	930,538	-	930,538	-
Notes receivable, net	-	-	-	200,000
Due from other governments	1,692,665	-	1,692,665	40,157
Inventories and prepaid expenses	27,633	6,838	34,471	-
Deferred charges	315,998	-	315,998	-
Restricted assets - noncurrent	27,557	-	27,557	-
Capital assets, net	53,945,109	754,805	54,699,914	3,409,897
Other assets	3,375,000	-	3,375,000	-
Total assets	99,047,153	945,786	99,992,939	4,726,600
Liabilities				
Accounts payable	1,364,782	24,404	1,389,186	10,448
Salaries and benefits payable	610,077	65,222	675,299	-
Deferred revenue	372,579	-	372,579	554,089
Accrued interest	126,782	-	126,782	-
Long-term liabilities:				
Portion due or payable within one year:				
Bonds and notes payable	5,369,313	-	5,369,313	-
Capital leases	636,230	-	636,230	-
Compensated absences	50,232	-	50,232	-
Portion due or payable after one year:				
Bonds and notes payable	28,036,105	-	28,036,105	2,600,000
Capital leases	688,125	-	688,125	-
Compensated absences	385,302	-	385,302	79,322
Total liabilities	37,639,527	89,626	37,729,153	3,243,859
Net assets				
Invested in capital assets, net of related debt	48,629,979	754,805	49,384,784	809,897
Restricted for:				
Capital projects	2,450,438	-	2,450,438	-
Debt service	591,291	-	591,291	-
Road projects	100,000	-	100,000	-
Other purposes	535,546	-	535,546	-
Unrestricted	9,100,372	101,355	9,201,727	672,844
Total net assets	\$ 61,407,626	\$ 856,160	\$ 62,263,786	\$ 1,482,741

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

WALTON COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2002

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	\$4,694,536	\$ 1,001,870	\$ -	\$ -	\$ (3,692,666)		\$ (3,692,666)	
Judicial	3,170,122	2,149,532	252,638	-	(767,952)		(767,952)	
Public safety	12,773,095	1,421,075	311,114	-	(11,040,906)		(11,040,906)	
Public works	3,247,266	17,198	341,728	-	(2,888,340)		(2,888,340)	
Health and welfare	465,441	15,400	924,327	-	474,286		474,286	
Culture and recreation	639,154	-	20,000	219,845	(399,309)		(399,309)	
Housing and development	1,290,506	783,513	-	-	(506,993)		(506,993)	
Interest and fiscal charges	1,057,086	-	-	-	(1,057,086)		(1,057,086)	
Unallocated depreciation expense	2,133,189	-	-	-	(2,133,189)		(2,133,189)	
Total governmental activities	29,470,395	5,388,588	1,849,807	219,845	(22,012,155)		(22,012,155)	
Business-type:								
Solid waste	949,848	249,531	73,788	11,585		(614,944)	(614,944)	
EMS	1,666,957	1,223,369	-	108,000		(335,588)	(335,588)	
Total business-type activities	2,616,805	1,472,900	73,788	119,585		(950,532)	(950,532)	
Component units:								
Walton Co. Dev. Authority	341,571	50,108	-	-				(291,463)
Walton Co. Comm. on Children & Youth	76,238	-	12,253	-				(63,985)
Walton Co. Health Department	1,337,227	-	1,350,404	-				13,177
Total component units	1,755,036	50,108	1,362,657	-				(342,271)

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

WALTON COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2002

<u>Activities:</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and</u> <u>Changes in Net Assets</u>			<u>Component</u> <u>Units</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>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>	
General revenues:								
Taxes								
Property taxes, levied for general purposes					17,185,964	-	17,185,964	-
Sales tax					7,016,000	-	7,016,000	-
Franchise fees					143,365	-	143,365	-
Other taxes					2,535,489	-	2,535,489	-
Intergovernmental revenues					40,332	-	40,332	471,996
Grants not restricted to specific programs					-	-	-	-
Investment earnings					564,625	542	565,167	6,346
Miscellaneous					33,818	-	33,818	-
Gain/(Loss) on the sale of capital assets					(116,267)	(1,658)	(117,925)	35,707
Transfers					(1,161,036)	1,161,036	-	-
Total general revenues and transfers					<u>26,242,290</u>	<u>1,159,920</u>	<u>27,402,210</u>	<u>514,049</u>
					4,230,135	209,388	4,439,523	171,778
Net assets - beginning, restated					<u>57,177,491</u>	<u>646,772</u>	<u>57,824,263</u>	<u>1,310,963</u>
Net assets - ending					<u>\$61,407,626</u>	<u>\$ 856,160</u>	<u>\$62,263,786</u>	<u>\$ 1,482,741</u>

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

WALTON COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2002

	<u>General Fund</u>	<u>SPLOST Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 2,306,570	\$ 298,758	\$ 1,606,873	\$ 4,212,201
Cash-restricted	27,557	-	-	27,557
Pooled cash and investments	4,338,319	28,457,122	-	32,795,441
Investments, plus accrued interest	-	-	607,119	607,119
Accounts receivable, net	18,650	-	-	18,650
Taxes receivable, net	930,538	-	-	930,538
Internal balances	458,360	5,210	75,362	538,932
Due from other governments	671,311	1,021,354	-	1,692,665
Due from others	31,795	-	45,462	77,257
Inventories	27,633	-	-	27,633
Total assets	<u>\$ 8,810,733</u>	<u>\$29,782,444</u>	<u>\$ 2,334,816</u>	<u>\$ 40,927,993</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 534,479	\$ 134,958	\$ 19,838	\$ 689,275
Internal balances	80,572	299,173	159,187	538,932
Due to others	-	-	37,294	37,294
Salaries and benefits payable	591,376	-	145,480	736,856
Deferred revenue	807,453	-	-	807,453
Total liabilities	<u>2,013,880</u>	<u>434,131</u>	<u>361,799</u>	<u>2,809,810</u>
Fund balances:				
Reserved for:				
Inventories	27,633	-	-	27,633
Encumbrances	25,395	-	-	25,395
Noncurrent assets	635,546	-	-	635,546
Unreserved	6,108,279	-	-	6,108,279
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	1,175,169	1,175,169
Debt service funds	-	-	464,509	464,509
Capital project funds	-	29,348,313	333,339	29,681,652
Total fund balances	<u>6,796,853</u>	<u>29,348,313</u>	<u>1,973,017</u>	<u>38,118,183</u>
Total liabilities and fund balances	<u>\$ 8,810,733</u>	<u>\$29,782,444</u>	<u>\$ 2,334,816</u>	<u>\$ 40,927,993</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, 2002

Total *fund* balances for governmental funds (Exhibit 3) \$ 38,118,183

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	\$ 19,853,849	
Construction in progress	1,705,669	
Land improvements, net of \$226,502 of accumulated depreciation	380,417	
Infrastructure, net of \$81,520,657 of accumulated depreciation	16,218,229	
Buildings and improvements, net of \$5,585,800 of accumulated depreciation	12,159,591	
Equipment, net of \$9,273,667 of accumulated depreciation	3,627,354	
Total capital assets		53,945,109

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. 807,453

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 383,769

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, 2002 are:

Accrued interest on bonds	-	
Certificates of participation	(1,800,000)	
Bonds and notes payable	(31,605,418)	
Capital leases	(1,324,355)	
Compensated absences	(435,534)	
Deferred amount on refunding	315,998	
Unamortized premiums	(372,579)	
Total long-term liabilities		(35,221,888)

Total net assets of governmental activities \$ 61,407,626

WALTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

	General Fund	SPLOST Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 23,305,702	\$ 2,721,701	\$ -	\$ 26,027,403
Licenses and permits	746,512	-	-	746,512
Intergovernmental revenue	294,335	-	1,713,532	2,007,867
Charges for services	2,361,305	-	835,873	3,197,178
Fines and forfeitures	1,386,518	-	120,278	1,506,796
Investment income	220,116	262,619	32,424	515,159
Contributions and donations	-	-	25,906	25,906
Miscellaneous	38,690	-	54,669	93,359
Total revenues	<u>28,353,178</u>	<u>2,984,320</u>	<u>2,782,682</u>	<u>34,120,180</u>
Expenditures				
Current:				
General government	3,884,868	-	274,506	4,159,374
Judicial	2,878,678	-	49,177	2,927,855
Public safety	10,558,802	-	1,207,825	11,766,627
Public works	4,693,797	-	-	4,693,797
Health and welfare	465,441	-	-	465,441
Culture and recreation	615,112	-	-	615,112
Housing and development	1,196,511	-	-	1,196,511
Debt service:				
Principal payments	-	-	1,730,915	1,730,915
Interest and fiscal charges	-	357,734	1,057,086	1,414,820
Capital outlay	-	779,976	928,652	1,708,628
Total expenditures	<u>24,293,209</u>	<u>1,137,710</u>	<u>5,248,161</u>	<u>30,679,080</u>
Excess of revenues over (under) expenditures	<u>4,059,969</u>	<u>1,846,610</u>	<u>(2,465,479)</u>	<u>3,441,100</u>
Other financing sources (uses)				
Capital leases	856,970	-	-	856,970
Bonds issued	-	27,880,000	-	27,880,000
Premiums on debt issued	-	421,788	-	421,788
Sale of capital assets	104,677	-	-	104,677
Transfers in	2,817,829	313,829	4,509,525	7,641,183
Transfers (out)	(6,668,356)	(1,113,914)	(1,519,949)	(9,302,219)
Total other financing sources (uses)	<u>(2,888,880)</u>	<u>27,501,703</u>	<u>2,989,576</u>	<u>27,602,399</u>
Net change in fund balances	1,171,089	29,348,313	524,097	31,043,499
Fund balances - beginning	<u>5,625,764</u>	<u>-</u>	<u>1,448,920</u>	<u>7,074,684</u>
Fund balances - ending	<u>\$ 6,796,853</u>	<u>\$ 29,348,313</u>	<u>\$ 1,973,017</u>	<u>\$ 38,118,183</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, 2002

Net change in <i>fund</i> balances - total governmental funds		\$ 31,043,499
The change in <i>net assets</i> 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 depreciation (\$3,760,994) exceeded capital outlays (\$3,109,847) in the current period.		651,147
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.		(220,944)
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.		
Debt issued:		
2001 Bonds	(27,880,000)	
Premiums and issuance costs	(64,054)	
Repayments:		
To bond, certificate, and note holders	896,983	
		(27,047,071)
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.		(856,970)
Capital lease payments are reported as expenditures in the governmental funds, but reduces the liability in the statement of net assets.		834,032
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.		(663,242)
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.		807,453
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	(325,242)	
Amortization of debt premium and issuance costs	7,473	
		(317,769)
Change in net assets of governmental activities		\$ 4,230,135

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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 22,938,096	\$23,259,931	\$ 23,305,702	\$ 45,771
Licenses and permits	684,220	746,512	746,512	-
Intergovernmental revenue	246,759	294,335	294,335	-
Charges for services	2,360,571	2,377,342	2,361,305	(16,037)
Fines and forfeitures	1,322,780	1,386,518	1,386,518	-
Investment income	434,780	200,205	220,116	19,911
Miscellaneous	99,950	219,179	38,690	(180,489)
Total revenues	<u>28,087,156</u>	<u>28,484,022</u>	<u>28,353,178</u>	<u>(130,844)</u>
Expenditures				
Current:				
General government:				
Governing body	88,932	109,665	101,724	7,941
Clerk of commission	91,717	83,148	82,999	149
Commission chair	138,338	129,352	128,809	543
Board of elections/registrations	138,550	129,564	127,040	2,524
Financial administration	387,037	385,922	352,018	33,904
County attorney	81,000	43,755	43,755	-
Information technology	434,642	405,123	387,886	17,237
Human resources	183,822	178,974	164,716	14,258
Tax commissioner	512,017	512,330	480,520	31,810
Board of equalization	51,905	47,750	46,133	1,617
Tax assessor	568,926	533,328	511,348	21,980
Risk management	629,293	531,214	342,473	188,741
County facilities	1,047,016	1,062,110	1,024,128	37,982
Customer service	24,414	22,242	22,379	(137)
General administration fees	53,728	98,486	68,940	29,546
Judicial				
Superior court	376,987	533,431	543,018	(9,587)
Clerk of superior court	675,891	618,967	591,606	27,361
District attorney	300,910	294,797	288,812	5,985
Magistrate court	244,582	255,510	238,378	17,132
Probate court	403,113	416,184	397,248	18,936
Juvenile court	574,461	579,378	552,514	26,864
Public defender	313,823	274,207	267,102	7,105
Public safety				
Sheriff	795,684	870,226	871,173	(947)
Law enforcement administration	525,758	688,535	580,396	108,139
Criminal investigation	517,258	557,010	562,633	(5,623)
Uniformed patrol	1,913,252	2,053,719	2,041,296	12,423
Youth Investigation	365,010	412,188	386,957	25,231
Jail operations	2,218,368	2,968,260	2,899,498	68,762
Court services	482,454	552,559	545,948	6,611
Dispatcher	180,012	178,443	176,335	2,108
Fire administration	\$ 183,254	\$ 159,070	\$ 158,705	\$ 365

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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public safety				
Fire fighting	\$ 1,879,823	\$ 1,809,014	\$ 1,765,981	\$ 43,033
Fire training	28,700	28,756	28,756	-
Stations and buildings	50,000	247,138	102,086	145,052
Coroner	64,166	49,369	47,718	1,651
Animal control	316,985	288,459	274,924	13,535
Emergency management	127,058	119,124	116,396	2,728
Public works				
Highways and streets administration	108,487	112,769	106,100	6,669
Roadways and walkways	3,283,253	3,242,162	3,269,464	(27,302)
Unpaved streets	410,000	305,953	305,953	-
Other maintenance	42,000	34,588	35,387	(799)
Traffic engineering	1,155,142	742,270	751,071	(8,801)
Maintenance and shop	463,870	353,218	225,822	127,396
Health and welfare				
Health centers	326,296	324,593	249,388	75,205
Intergovernmental welfare payments	42,306	42,306	41,069	1,237
Other vendor payments	600	600	500	100
Community services	171,050	171,050	174,484	(3,434)
Culture and recreation				
Recreation	300,000	272,135	272,135	-
Park areas	145,534	147,339	117,977	29,362
Libraries	225,000	225,000	225,000	-
Housing and development				
Agricultural resources	114,425	132,403	124,264	8,139
Forest resources	41,964	39,894	37,602	2,292
Protective inspection	316,215	319,736	302,351	17,385
Planning and zoning	525,700	476,325	433,772	42,553
Code enforcement	43,495	13,793	6,380	7,413
Economic development	313,546	213,546	213,546	-
Other costs	3,600	78,600	78,596	4
Total expenditures	<u>25,001,369</u>	<u>25,475,587</u>	<u>24,293,209</u>	<u>1,182,378</u>
Excess of revenues over expenditures	<u>3,085,787</u>	<u>3,008,435</u>	<u>4,059,969</u>	<u>1,051,534</u>
Other financing sources (uses)				
Capital leases	-	436,490	856,970	420,480
Proceeds of general fixed asset dispositions	-	71,677	104,677	33,000
Transfers in	850,570	3,331,944	2,817,829	(514,115)
Transfers (out)	<u>(3,922,231)</u>	<u>(6,843,847)</u>	<u>(6,668,356)</u>	<u>175,491</u>
Total other financing sources (uses)	<u>(3,071,661)</u>	<u>(3,003,736)</u>	<u>(2,888,880)</u>	<u>114,856</u>
Net change in fund balances	14,126	4,699	1,171,089	1,166,390
Fund balance - beginning, restated	<u>5,625,764</u>	<u>5,625,764</u>	<u>5,625,764</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,639,890</u>	<u>\$ 5,630,463</u>	<u>\$ 6,796,853</u>	<u>\$ 1,166,390</u>

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

WALTON COUNTY, GEORGIA
Statement of Net Assets
Proprietary Funds
June 30, 2002

	Business-type Activities			Governmental
	Solid Waste	EMS	Total	Activities
	Fund	Fund		Internal
				Service
				Funds
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 94,149
Investments	-	-	-	1,171,887
Accounts receivable	7,276	521,630	528,906	-
Allowance for uncollectibles	-	(344,763)	(344,763)	-
Inventory	6,838	-	6,838	-
Total current assets	<u>14,114</u>	<u>176,867</u>	<u>190,981</u>	<u>1,266,036</u>
Capital assets				
Land	377,370	-	377,370	-
Buildings	244,286	-	244,286	-
Machinery and equipment	985,873	270,687	1,256,560	-
	<u>1,607,529</u>	<u>270,687</u>	<u>1,878,216</u>	<u>-</u>
Less: accumulated depreciation	(924,763)	(198,648)	(1,123,411)	-
Net capital assets	<u>682,766</u>	<u>72,039</u>	<u>754,805</u>	<u>-</u>
Total assets	<u>696,880</u>	<u>248,906</u>	<u>945,786</u>	<u>1,266,036</u>
Liabilities				
Current liabilities				
Bank overdraft	-	-	-	244,051
Accounts payable	16,577	7,827	24,404	638,213
Accrued expenses	22,774	42,448	65,222	-
Total liabilities	<u>39,351</u>	<u>50,275</u>	<u>89,626</u>	<u>882,264</u>
Net assets				
Invested in capital assets, net of related debt	682,766	72,039	754,805	-
Unreserved	(25,237)	126,592	101,355	383,772
Total net assets	<u>\$ 657,529</u>	<u>\$ 198,631</u>	<u>\$ 856,160</u>	<u>\$ 383,772</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, 2002

	<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	246,531	1,220,947	1,467,478	-
Miscellaneous income	-	2,422	2,422	2,091,196
Total operating revenues	<u>249,531</u>	<u>1,223,369</u>	<u>1,472,900</u>	<u>2,091,196</u>
Expenses				
Personal services	649,908	1,198,564	1,848,472	3,303,899
Purchased/contracted services	160,330	25,809	186,139	-
Supplies	83,573	54,825	138,398	-
Depreciation and amortization	56,037	42,956	98,993	-
Other costs	-	344,803	344,803	-
Total operating expenses	<u>949,848</u>	<u>1,666,957</u>	<u>2,616,805</u>	<u>3,303,899</u>
Operating loss	<u>(700,317)</u>	<u>(443,588)</u>	<u>(1,143,905)</u>	<u>(1,212,703)</u>
Nonoperating revenues				
Grants	73,788	-	73,788	-
Net increase in fair value of investments	-	-	-	51
Interest earned	203	339	542	49,410
Loss on sale of asset	(1,658)	-	(1,658)	-
Total nonoperating revenues	<u>72,333</u>	<u>339</u>	<u>72,672</u>	<u>49,461</u>
Loss before operating transfers and contributions	<u>(627,984)</u>	<u>(443,249)</u>	<u>(1,071,233)</u>	<u>(1,163,242)</u>
Transfers out	(219,056)	(629,301)	(848,357)	-
Transfers in	846,212	1,163,181	2,009,393	500,000
Capital contributions	11,585	108,000	119,585	-
Change in net assets	<u>10,757</u>	<u>198,631</u>	<u>209,388</u>	<u>(663,242)</u>
Total net assets - beginning	<u>646,772</u>	<u>-</u>	<u>646,772</u>	<u>1,047,014</u>
Total net assets - ending	<u>\$ 657,529</u>	<u>\$ 198,631</u>	<u>\$ 856,160</u>	<u>\$ 383,772</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, 2002

	<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	\$ 242,255	\$ 701,699	\$ 943,954	\$ -
Cash payments to suppliers for goods and services	(221,932)	(72,807)	(294,739)	(2,952,591)
Cash payments to employees for services	(627,134)	(1,156,117)	(1,783,251)	-
Other operations revenues	-	-	-	2,091,196
Net cash used by operating activities	<u>(606,811)</u>	<u>(527,225)</u>	<u>(1,134,036)</u>	<u>(861,395)</u>
Cash flows from noncapital financing activities:				
Increase (decrease) in due to other funds	73,788	-	73,788	-
Transfers from other funds	627,156	533,881	1,161,037	500,000
Net cash provided by noncapital financing activities	<u>700,944</u>	<u>533,881</u>	<u>1,234,825</u>	<u>500,000</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(94,336)	(6,995)	(101,331)	-
Net cash used by capital and related financing activities	<u>(94,336)</u>	<u>(6,995)</u>	<u>(101,331)</u>	<u>-</u>
Cash flows from investing activities:				
Net investment income	203	339	542	49,461
Net cash provided by investing activities	<u>203</u>	<u>339</u>	<u>542</u>	<u>49,461</u>
Net decrease in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>(311,934)</u>
Cash and cash equivalents, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,577,970</u>
Cash and cash equivalents, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,266,036</u>
Reconciliation of operating loss to net cash used by operating activities:				
Operating loss	\$ (700,317)	\$ (443,588)	\$(1,143,905)	\$ (1,212,703)
Adjustments to reconcile operating income to net cash used by operating activities:				
Depreciation	56,037	42,956	98,993	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(7,276)	(176,867)	(184,143)	-
(Increase) decrease in inventory	5,394	-	5,394	-
Increase (decrease) in accounts payable	16,577	7,827	24,404	351,816
Increase (decrease) in salaries payable	22,774	42,447	65,221	-
Increase (decrease) in bank overdraft	-	-	-	(508)
Total adjustments	<u>93,506</u>	<u>(83,637)</u>	<u>9,869</u>	<u>351,308</u>
Net cash used by operating activities	<u>\$ (606,811)</u>	<u>\$ (527,225)</u>	<u>\$ (1,134,036)</u>	<u>\$ (861,395)</u>
Non-cash investing, capital and financing activities:				
Acquisition of contributed assets	<u>\$ 11,585</u>	<u>\$ 108,000</u>	<u>\$ 119,585</u>	<u>\$ -</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, 2002

	Walton County			Totals
	Development	Commission on	Health	
	Authority	Children & Youth	Department	
	June 30,	June 30,	June 30,	
	2002	2002	2002	
Assets				
Cash	\$ 375,862	\$ 21,718	\$ 649,750	\$ 1,047,330
Accounts receivable	-	-	29,216	29,216
Due from other governments	-	13,518	26,639	40,157
Capital assets, net	3,371,666	-	38,231	3,409,897
Current portion notes receivable	200,000	-	-	200,000
Total assets	3,947,528	35,236	743,836	4,726,600
Liabilities				
Accounts payable	29	-	10,419	10,448
Long term portion of bonds payable	2,600,000	-	-	2,600,000
Compensated absences payable	-	-	79,322	79,322
Deferred income - current year fees	-	-	554,089	554,089
Total liabilities	2,600,029	-	643,830	3,243,859
Net assets				
Invested in capital assets, net of related debt	771,666	-	38,231	809,897
Unrestricted	575,833	35,236	61,775	672,844
Total net assets	\$ 1,347,499	\$ 35,236	\$ 100,006	\$ 1,482,741

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, 2002

Activities:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Development Authority	Commission Children & Youth	Health Department	Total
Component units:								
Walton Co. Dev. Auth	\$ 341,571	\$ 50,108	\$ -	\$ -	\$ (291,463)	\$ -	\$ -	\$ (291,463)
Walton Co. Comm. on Children & Youth	76,238	-	12,253	-	-	(63,985)	-	(63,985)
Walton Co. Health Department	1,337,227	-	1,350,404	-	-	-	13,177	13,177
Total component units	<u>\$ 1,755,036</u>	<u>\$ 50,108</u>	<u>\$ 1,362,657</u>	<u>\$ -</u>	<u>(291,463)</u>	<u>(63,985)</u>	<u>13,177</u>	<u>(342,271)</u>
General revenues:								
					400,609	71,387	-	471,996
					5,819	527	-	6,346
					35,707	-	-	35,707
					<u>442,135</u>	<u>71,914</u>	<u>-</u>	<u>514,049</u>
					<u>150,672</u>	<u>7,929</u>	<u>13,177</u>	<u>171,778</u>
				Change in net assets				
					<u>1,196,827</u>	<u>27,307</u>	<u>86,829</u>	<u>1,310,963</u>
					<u>\$ 1,347,499</u>	<u>\$ 35,236</u>	<u>\$ 100,006</u>	<u>\$ 1,482,741</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, 2002

ASSETS	
Cash	\$ 298,075
Other	(53)
Total assets	<u><u>\$ 298,022</u></u>
 LIABILITIES	
Due to other funds	\$ 31,796
Due to others	266,226
Total liabilities	<u><u>\$ 298,022</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, 2002

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, 2002

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, such as charges for services, 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 revenues, such as subsidies and investment earnings, 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.

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.

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.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

Note 1: Summary of Significant Accounting Policies, continued

B. Basis of Presentation, Basis of Accounting, continued

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, 2002: Tax Commissioner, Sheriff, Superior Court, Probate Court, Clerk of Superior Court, Magistrate Court, Juvenile Court, Tax Assessor, Code Enforcement and Animal Control.

Measurement Focus, Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary 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 governmental and 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.
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.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

Note 1: Summary of Significant Accounting Policies, continued

C. Budgets and Budgetary Accounting, continued

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 or 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 October 1 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 tax owners tax relief. Taxes receivable at June 30, 2002 amounted to \$930,538 while deferred property tax revenue totaled \$807,453.

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, 2002

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, buildings 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 costs of \$100,000 are capitalized. All other personal property with initial, individual costs that equal or exceed \$2,500 are 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, is 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
Water and sewer distribution system	20-50
Vehicles	4
Furniture and fixtures	10
Equipment	10
Computer equipment	5
Heavy machinery	5

Pursuant to GASB Statement No. 34, the governmental activities column in the government-wide financial statements does reflect those infrastructure asset projects completed before July 1, 2002. In addition, those infrastructure projects completed in fiscal year ending June 2002 are considered completed on June 30, 2002, and, therefore, depreciation will not be reflected until the following fiscal year.

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 11, concerning Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

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, 2002

Note 2: Stewardship, Compliance and Accountability

A. Deficit Fund Balances/Retained Earnings:

The Emergency 911 has an accumulated deficit of \$34,511 at June 30, 2002. Increase in user fees and cell phones usage should eliminate the deficit in future years.

B. Excess of expenditures over appropriations in individual departments:

The following had an excess of expenditures over appropriations:

General Fund departments:

Customer Service	\$	137
Superior Court		9,587
Sheriff		947
Criminal Investigation		5,623
Roadways & Walkways		27,302
Other Maintenance		799
Traffic Engineering		8,801
Community Service		3,434

The excesses above were funded by available fund balance.

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 \$4,338,319 and \$28,457,122 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 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, 2002

Note 3: Cash and Investments, continued

Primary Government

Carrying amount and market value of Walton County's investments at June 30, 2002 are listed below:

Type of Investment	Category			Fair Value
	1	2	3	
Employees' Health Benefits held by the Government's trustee	\$ 702,081	\$ -	\$ -	\$ 702,081
Worker's Compensation Insurance held by the Government's trustee	469,806	-	-	469,806
Debt Service funds held by the Government's trustee	591,291	-	-	591,291
Walton County Law Library certificate of deposit	15,828	-	-	15,828
	<u>\$ 1,779,006</u>	<u>\$ -</u>	<u>\$ -</u>	

Investments not subject to categorization:

Investment in State Local Government Investment Pool	<u>32,795,441</u>
	<u>\$ 34,574,447</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

The demand and interest-bearing deposits of all component units were reflected in the accounts of the banks at \$1,047,330. The carrying amount for these deposits was \$1,047,330. All deposits were FDIC insured or collateralized with securities held by the pledging financial institution's trust department.

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2002 was as follows:

Primary Government

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 19,853,849	\$ -	\$ -	\$ 19,853,849
Construction in progress	307,696	1,397,973	-	1,705,669
Total capital assets not being depreciated	<u>20,161,545</u>	<u>1,397,973</u>	<u>-</u>	<u>21,559,518</u>
Capital assets being depreciated:				
Infrastructure	95,725,398	2,013,488	-	97,738,886
Buildings and improvements	18,335,813	18,914	2,418	18,352,309
Equipment, furniture & vehicles	16,082,273	1,001,289	4,182,541	12,901,022
Total capital assets being depreciated	<u>130,143,485</u>	<u>3,033,691</u>	<u>4,184,959</u>	<u>128,992,216</u>
Less accumulated depreciation for:				
Infrastructure	79,387,368	2,133,288	-	81,520,657
Buildings and improvements	5,334,462	478,949	1,109	5,812,302
Equipment, furniture & vehicles	12,067,554	1,148,756	3,942,644	9,273,667
Total accumulated depreciation	<u>96,789,385</u>	<u>3,760,994</u>	<u>3,943,753</u>	<u>96,606,626</u>
Primary government capital assets being depreciated, net	<u>\$ 53,515,645</u>	<u>\$ 670,670</u>	<u>\$ 241,207</u>	<u>\$ 53,945,109</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

Note 4: Capital Assets, continued

Primary Government, continued

Business-type activities:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Emergency Medical Services				
Capital assets not being depreciated:				
Capital assets being depreciated:				
Equipment, furniture & vehicles	\$ -	\$ 288,125	\$ 17,439	\$ 270,686
Total capital assets being depreciated	<u>-</u>	<u>288,125</u>	<u>17,439</u>	<u>270,686</u>
Less accumulated depreciation for:				
Equipment, furniture & vehicles	<u>-</u>	<u>209,279</u>	<u>10,630</u>	<u>198,649</u>
Total accumulated depreciation	<u>-</u>	<u>209,279</u>	<u>10,630</u>	<u>198,649</u>
Emergency Medical Services capital assets being depreciated, net	<u>\$ -</u>	<u>\$ 78,846</u>	<u>\$ 6,809</u>	<u>\$ 72,037</u>
Solid Waste Fund:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$ 377,370	\$ -	\$ -	\$ 377,370
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>377,370</u>	<u>-</u>	<u>-</u>	<u>377,370</u>
Capital assets being depreciated:				
Buildings and improvements	252,615	-	-	252,615
Equipment, furniture & vehicles	878,495	113,326	14,277	977,544
Total capital assets being depreciated	<u>1,131,110</u>	<u>113,326</u>	<u>14,277</u>	<u>1,230,159</u>
Less accumulated depreciation for:				
Buildings and improvements	76,953	8,143	-	85,096
Equipment, furniture & vehicles	805,881	46,404	12,619	839,667
Total accumulated depreciation	<u>882,834</u>	<u>54,547</u>	<u>12,619</u>	<u>924,763</u>
Solid waste capital assets being depreciated, net	<u>625,646</u>	<u>58,779</u>	<u>1,658</u>	<u>682,766</u>
Business-type activities capital assets, net	<u>\$ 740,454</u>	<u>\$ 22,818</u>	<u>\$ 8,466</u>	<u>\$ 754,805</u>

Depreciation expense was charged to functions as follows:

General government	\$ 488,220
Judicial	42,984
Public safety	768,201
Public works	271,384
Culture and recreation	37,153
Housing and development	19,763
Unallocated - Infrastructure	<u>2,133,289</u>
Total governmental activities depreciation expense	<u>\$ 3,760,994</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

Note 4: Capital Assets, continued

Discretely Presented Component Units - Development Authority of Walton County

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 3,544,844	\$ 208,620	\$405,060	\$3,348,404
Total capital assets not being depreciated	<u>3,544,844</u>	<u>208,620</u>	<u>405,060</u>	<u>3,348,404</u>
Capital assets being depreciated:				
Equipment, furniture & vehicles	36,268	-	-	36,268
Total capital assets being depreciated	<u>36,268</u>	<u>-</u>	<u>-</u>	<u>36,268</u>
Less accumulated depreciation for:				
Equipment, furniture & vehicles	6,311	6,695	-	13,006
Total accumulated depreciation	<u>6,311</u>	<u>6,695</u>	<u>-</u>	<u>13,006</u>
Component unit capital assets being depreciated, net	<u>\$ 3,574,801</u>	<u>\$ 201,925</u>	<u>\$405,060</u>	<u>\$3,371,666</u>

Note 5: Interfund Balances and Activity

Balances Due to/from Other Funds

Balances due to/from other funds at June 30, 2002 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	SPLOST Capital Project	\$ 299,173
	Capital Project	159,187
Capital Project	General Fund	35,656
DATEF Special Revenue	General Fund	39,706
SPLOST Capital Project	General Fund	5,210
	Total due to/from other funds	<u>\$ 538,932</u>

Due to/from balances are a result of local match for grant projects or for advances awaiting on grant reimbursement.

Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2002 consist of the following:

	<u>Transfer In:</u>					<u>Total</u>
	<u>General Fund</u>	<u>SPLOST Capital Project</u>	<u>Nonmajor Governmental</u>	<u>Enterprise</u>	<u>Internal Service</u>	
<u>Transfer Out:</u>						
General fund	\$ -	\$ 313,829	\$ 3,845,133	\$ 2,009,392	\$500,000	\$ 6,668,354
SPLOST Cap. Proj.	449,522		664,391			1,113,913
Nonmajor						
Governmental	1,519,949					1,519,949
Enterprise	848,357					848,357
	<u>\$2,817,828</u>	<u>\$ 313,829</u>	<u>\$ 4,509,524</u>	<u>\$ 2,009,392</u>	<u>\$500,000</u>	<u>\$ 10,150,573</u>
Total transfers to/from other funds						

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

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%.

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, 2002 are as follows:

	<u>July 1, 2001</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2002</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation bonds	\$ -	\$ 27,880,000	\$ 200,000	\$ 27,680,000	\$ 5,050,000
COPS	2,365,000	-	565,000	1,800,000	185,000
Newton County:					
Water Line Agreement	252,452	-	7,406	245,046	7,863
Reservoir Agreement	429,949	-	12,077	417,872	13,950
Four County Joint Industrial					
Development Authority	3,375,000	-	112,500	3,262,500	112,500
Capital lease obligations	1,301,417	856,970	834,032	1,324,355	636,230
Compensated absences	126,847	452,089	126,847	452,089	50,232
	<u>\$ 7,850,665</u>	<u>\$ 29,189,059</u>	<u>\$ 1,857,862</u>	<u>\$ 35,181,862</u>	<u>\$ 6,055,775</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

Note 6: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2002 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	
	June 30, Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 5,050,000	\$ 1,015,737	\$ 185,000	\$ 95,770	\$ 7,863	\$ 14,752	\$ 13,950	\$ 22,573	\$ 112,500	\$ 174,420
2004	5,650,000	838,456	195,000	86,520	8,348	14,267	14,737	21,786	112,500	168,300
2005	6,230,000	617,175	205,000	76,575	8,863	13,752	15,568	20,955	112,500	162,180
2006	7,000,000	370,175	220,000	65,915	9,410	13,205	16,446	20,076	112,500	156,060
2007	3,750,000	79,688	230,000	54,255	9,990	12,625	17,374	19,148	112,500	149,940
2008-2012	-	-	765,000	85,560	59,988	53,087	102,723	79,890	750,000	632,400
2013-2017	-	-	-	-	80,915	32,160	135,151	47,459	975,000	401,880
2018-2022	-	-	-	-	59,669	6,048	101,923	8,774	975,000	110,160
2023-2028	-	-	-	-	-	-	-	-	-	-
	<u>\$ 27,680,000</u>	<u>\$ 2,921,231</u>	<u>\$1,800,000</u>	<u>\$464,595</u>	<u>\$ 245,046</u>	<u>\$159,896</u>	<u>\$417,872</u>	<u>\$ 240,661</u>	<u>\$3,262,500</u>	<u>\$1,955,340</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

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 fifty 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	\$ 2,756,521	\$ 619,194

Future minimum lease payments at June 30, 2002 are as follows:

	Governmental activities	Total
Fiscal Year Ending June 30,		
2003	\$ 636,230	\$ 636,230
2004	585,816	585,816
2005	179,668	179,668
2006	31,920	31,920
Total minimum lease payments	1,433,634	1,433,634
Less: deferred interest	(109,179)	-
Present value minimum lease payments	\$ 1,324,455	\$ 1,433,634

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.

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2002 are as follows:

	July 1, 2001	Increases	Decreases	June 30, 2002	Due within One Year
Bonds payable	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000	\$ -
	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000	\$ -

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

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, 2002 are as follows:

Year Ending June 30,	Bonds Payable	
	Principal	Interest
2003	\$ -	\$ 200,608
2004	650,000	287,967
2005	650,000	138,227
2006	650,000	87,663
2007	650,000	37,511
	<u>\$ 2,600,000</u>	<u>\$ 751,976</u>

Note 7: Retirement Benefits

Defined Benefit Pension Plan

The County provides a defined benefit retirement program for its employees.

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, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Second Restated Defined Benefit Pan (The ACCG Plan), an agent multiple-employer pension plan administered by Pension Service Company. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan.

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

CBIZ/Pension Service Company
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, 2001, the number of participants were as follows:

-Retirees & beneficiaries receiving benefits	26
-Terminated employees entitled to deferred benefits, but not yet receiving them	53
- Active employees	<u>27</u>
	106

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.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

Note 7: Retirement Benefits, continued

Defined Benefit Pension Plan, continued

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, 2001 (the most recent actuarial valuation date), the County's total covered payroll was \$996,501. 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 2001 plan year is \$98,762, which represents 9.9% 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, 2000</u>	<u>January 1, 2001</u>
Derivation of Annual Pension Cost		
Annual Required Contribution	\$129,016	\$98,762
Interest on Net Pension Obligation	(1,457)	(1,491)
Amortization of Net Pension Obligation	<u>2,124</u>	<u>2,113</u>
	\$129,683	\$99,384

Derivation of Net Pension Obligation

Annual Pension Cost for Prior Year	\$ 129,687
Actual Contributions to Plan for Prior Year	<u>129,016</u>
Increase in Net Pension Obligation	671
Net Pension Obligation as of January 1, 2000	<u>(18,214)</u>
Net Pension Obligation as of January 1, 2001	(17,543)

Basis of Valuation

Valuation date	January 1, 2001
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*	8.5%
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, 2002

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
01/01/01	\$ 99,384	N/A	\$ (17,543)
01/01/00	129,683	99.0	(18,214)
01/01/99	128,333	99.5	(18,883)

Defined Contribution Plan

Plan Description

The Walton County Money Purchase Plan is a defined contribution pension plan established and administered by Walton County. The Plan was established to provide benefits at retirement to Walton County employees. The County is required to contribute 6.5% of total covered payroll. Employees are not required to contribute to the plan. Employees are eligible to join the plan after two years of full time service. Participants are then fully vested after five years of service. Total contributions for the fiscal year ended 06/30/01 was \$375,000. 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.

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.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

Note 8: Risk Management, continued

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

	<u>FYE 2002</u>	<u>FYE 2001</u>
Unpaid Claims, beginning of year	\$ 269,544	\$ 188,484
Incurred Claims	2,753,212	2,281,518
Claim Payments	<u>(2,574,195)</u>	<u>(2,200,457)</u>
Unpaid Claims, end of year	<u>\$ 448,561</u>	<u>\$ 269,544</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. This 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 health care plan of claim liabilities during the past 2 years are as follows:

	<u>FYE 2002</u>	<u>FYE 2001</u>
Unpaid Claims, beginning of year	\$ 16,853	\$ 172,798
Incurred Claims	493,545	280,658
Claim Payments	<u>(320,747)</u>	<u>(91,007)</u>
Unpaid Claims, end of year	<u>\$ 189,651</u>	<u>\$ 16,853</u>

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.

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.

Pursuant to a contract between Walton County and the Walton County Water and Sewerage Authority, the County has agreed to contribute \$2,000,000 towards the construction of water lines on projects that the Water Authority has scheduled under its 2002 Revenue Bond project. The anticipated time line for the construction will require that the County contribute \$573,300 from its fiscal year end June 30, 2005 budget, \$1,000,000 from its fiscal year end June 30, 2006 budget and \$426,700 from its fiscal year June 30, 2007 budget. The combined construction budget of \$4,000,000 (including the Authority's \$2,000,000 match) will result in approximately 35 miles of additional water lines laid in the County.

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. The amount, if any, of 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.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

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 RDC’s administrative office:

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

Note 10: Joint Ventures, 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 will be available annually.

Note 11: Change in Accounting Principles and Restatement of Prior Year

Restatement of Fund Balance

For the year ending June 30, 2002, the County implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. To comply with the requirements of these pronouncements, certain beginning fund balances were restated, as follows:

	Balance 06/30/01	Change	Restated Balance, 06/30/01
General Fund	\$ 5,311,194	\$ 314,570	\$ 5,625,764
Nonmajor Governmental Funds	1,745,932	(297,012)	1,448,920
Total	\$ 7,057,126	\$ 17,558	\$ 7,074,684

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2002

Note 11: Change in Accounting Principles and Restatement of Prior Year, continued

The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 2002, caused by the elimination of the internal service funds and the conversion to the accrual basis of accounting.

Restatement of Capital Assets – Primary Government

For the year ending June 30, 2002, the County implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Infrastructure projects started in prior years and completed during fiscal year ending June 30, 2002 were not included in the original beginning balance of Construction in Progress. Under GASB Statement No. 34, the County is required to capitalize infrastructure projects completed during the year. Therefore, beginning balances have been restated to include \$95,725,398 of infrastructure at June 30, 2001.

Equipment, furniture and vehicle values from prior years required adjustments as of June 30, 2001 due to a detailed review of capital asset balances. Therefore, the beginning balance for equipment, furniture and vehicles has been restated to include \$6,941,763 of adjustments at June 30, 2001.

Required Supplementary Information

WALTON COUNTY, GEORGIA
Required Supplementary Information
June 30, 2002

RETIREMENT PLAN

GASB 27 Required Supplementary Information-Schedule of Funding Progress

<u>Measurement Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>(c) Covered Payroll</u>	<u>UAAL as a percentage of covered payroll (b - a) / c</u>
12/31/01	\$ 1,955,766	\$ 2,254,072	\$ 298,306	86.8%	\$ 996,501	29.9%
12/31/00	2,357,303	2,644,987	287,684	89.1%	1,228,654	23.4%
12/31/99	2,129,500	2,450,635	321,135	86.9%	1,209,768	26.5%
12/31/98	2,189,804	1,089,140	(1,100,664)	201.1%	5,434,469	-20.3%
12/31/97	4,323,906	3,073,501	(1,250,405)	140.7%	5,615,980	-22.3%
12/31/96	3,738,309	4,792,546	1,054,237	78.0%	4,609,045	22.9%
12/31/95	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.

Combining and Individual Fund Statements and Schedules

Major Funds

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2002

GENERAL GOVERNMENT	Original Budget	Final Budget	Actual	Variance with Final Budget
Governing Body:				
Personal services	\$ 61,082	\$ 69,520	\$ 61,579	\$ 7,941
Purchased/contracted	22,800	27,555	27,555	-
Supplies	5,050	2,590	2,590	-
Other costs	-	10,000	10,000	-
	<u>88,932</u>	<u>109,665</u>	<u>101,724</u>	<u>7,941</u>
Clerk of Commission:				
Personal services	58,117	56,347	56,198	149
Purchased/contracted	28,000	10,296	10,296	-
Supplies	5,600	3,704	3,704	-
Capital outlay	-	12,801	12,801	-
	<u>91,717</u>	<u>83,148</u>	<u>82,999</u>	<u>149</u>
Commission Chair:				
Personal services	122,688	123,501	122,958	543
Purchased/contracted	7,850	3,922	3,922	-
Supplies	7,800	1,929	1,929	-
	<u>138,338</u>	<u>129,352</u>	<u>128,809</u>	<u>543</u>
Board of Elections/Registrar:				
Personal services	57,575	67,342	64,818	2,524
Purchased/contracted	77,675	61,028	61,028	-
Supplies	3,300	1,194	1,194	-
	<u>138,550</u>	<u>129,564</u>	<u>127,040</u>	<u>2,524</u>
Financial Administration:				
Personal Services	264,137	278,973	253,575	25,398
Purchased/contracted	115,425	93,425	84,919	8,506
Supplies	7,475	13,524	13,524	-
	<u>387,037</u>	<u>385,922</u>	<u>352,018</u>	<u>33,904</u>
County Attorney:				
Purchased/contracted	81,000	43,755	43,755	-
	<u>81,000</u>	<u>43,755</u>	<u>43,755</u>	<u>-</u>
Information Technology:				
Personal services	100,882	107,210	96,968	10,242
Purchased/contracted	59,940	53,998	49,493	4,505
Supplies	124,500	103,281	103,281	-
Capital outlay	149,320	140,634	138,144	2,490
	<u>434,642</u>	<u>405,123</u>	<u>387,886</u>	<u>17,237</u>
Human Resources:				
Personal services	149,597	148,494	134,236	14,258
Purchased/contracted	29,475	24,402	24,402	-
Supplies	4,750	6,078	6,078	-
	<u>183,822</u>	<u>178,974</u>	<u>164,716</u>	<u>14,258</u>
Tax Commissioner:				
Personal services	416,617	430,993	401,828	29,165
Purchased/contracted	91,100	77,693	75,048	2,645
Supplies	4,300	3,644	3,644	-
	<u>\$ 512,017</u>	<u>\$ 512,330</u>	<u>\$ 480,520</u>	<u>\$ 31,810</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL GOVERNMENT				
Board of Equalization:				
Personal services	\$ 46,055	\$ 44,109	\$ 42,492	\$ 1,617
Purchased/contracted	5,550	3,471	3,471	-
Supplies	300	170	170	-
	<u>51,905</u>	<u>47,750</u>	<u>46,133</u>	<u>1,617</u>
Tax Assessor:				
Personal services	474,913	464,850	442,870	21,980
Purchased/contracted	80,515	58,826	58,826	-
Supplies	13,498	9,652	9,652	-
	<u>568,926</u>	<u>533,328</u>	<u>511,348</u>	<u>21,980</u>
Risk Management:				
Personal services	257,692	199,195	7,738	191,457
Purchased/contracted	352,601	323,926	326,642	(2,716)
Supplies	7,000	-	-	-
Interfund/interdept.	-	472	472	-
Other costs	12,000	7,621	7,621	-
	<u>629,293</u>	<u>531,214</u>	<u>342,473</u>	<u>188,741</u>
County Facilities:				
Personal services	393,985	389,690	367,951	21,739
Purchased/contracted	312,606	342,526	342,526	-
Supplies	304,225	304,755	288,512	16,243
Capital outlay	36,200	25,139	25,139	-
	<u>1,047,016</u>	<u>1,062,110</u>	<u>1,024,128</u>	<u>37,982</u>
Customer Service:				
Personal Services	24,414	22,242	22,379	(137)
	<u>24,414</u>	<u>22,242</u>	<u>22,379</u>	<u>(137)</u>
General Administration Fee:				
Purchased/contracted	53,728	53,671	53,671	-
Other costs	-	44,815	15,269	29,546
	<u>53,728</u>	<u>98,486</u>	<u>68,940</u>	<u>29,546</u>
TOTAL GENERAL GOVERNMENT	4,379,432	4,272,963	3,884,868	386,478
JUDICIAL				
Superior Court:				
Personal services	218,776	208,330	201,800	6,530
Purchased/contracted	151,711	322,857	338,974	(16,117)
Supplies	6,500	2,244	2,244	-
	<u>376,987</u>	<u>533,431</u>	<u>543,018</u>	<u>(9,587)</u>
Clerk of Superior Court:				
Personal services	542,762	504,180	476,507	27,673
Purchased/contracted	94,940	73,699	73,699	-
Supplies	38,189	36,088	36,400	(312)
Capital outlay	-	5,000	5,000	-
	<u>\$ 675,891</u>	<u>\$ 618,967</u>	<u>\$ 591,606</u>	<u>\$ 27,361</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
JUDICIAL				
District Attorney:				
Personal services	\$ 267,187	\$ 260,627	\$ 254,642	\$ 5,985
Purchased/contracted	17,794	20,754	20,754	-
Supplies	15,929	13,416	13,416	-
	<u>300,910</u>	<u>294,797</u>	<u>288,812</u>	<u>5,985</u>
Magistrate Court:				
Personal services	231,797	244,081	226,949	17,132
Purchased/contracted	6,585	7,358	7,358	-
Supplies	6,200	4,071	4,071	-
	<u>244,582</u>	<u>255,510</u>	<u>238,378</u>	<u>17,132</u>
Probate Court:				
Personal services	373,788	391,811	373,267	18,544
Purchased/contracted	18,765	16,129	15,737	392
Supplies	10,560	8,244	8,244	-
	<u>403,113</u>	<u>416,184</u>	<u>397,248</u>	<u>18,936</u>
Juvenile Court:				
Personal services	472,561	484,461	457,597	26,864
Purchased/contracted	85,200	77,589	77,589	-
Supplies	16,700	17,328	17,328	-
	<u>574,461</u>	<u>579,378</u>	<u>552,514</u>	<u>26,864</u>
Public Defender:				
Personal services	163,541	167,928	156,810	11,118
Purchased/contracted	28,850	9,830	9,830	-
Supplies	12,900	13,160	13,160	-
Capital outlay	31,000	5,757	5,500	257
Other costs	77,532	77,532	81,802	(4,270)
	<u>313,823</u>	<u>274,207</u>	<u>267,102</u>	<u>7,105</u>
TOTAL JUDICIAL	2,889,767	2,972,474	2,878,678	93,796
PUBLIC SAFETY				
Sheriff:				
Purchased/contracted	97,450	90,864	90,864	-
Supplies	356,245	418,925	419,872	(947)
Capital outlay	341,989	360,437	360,437	-
	<u>795,684</u>	<u>870,226</u>	<u>871,173</u>	<u>(947)</u>
Law Enforcement Administration:				
Personal services	525,758	688,535	580,396	108,139
	<u>525,758</u>	<u>688,535</u>	<u>580,396</u>	<u>108,139</u>
Criminal Investigation:				
Personal services	517,258	557,010	562,633	(5,623)
	<u>\$ 517,258</u>	<u>\$ 557,010</u>	<u>\$ 562,633</u>	<u>\$ (5,623)</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY				
Uniformed Patrol:				
Personal services	\$ 1,913,252	\$ 2,053,719	\$ 2,041,296	\$ 12,423
	<u>1,913,252</u>	<u>2,053,719</u>	<u>2,041,296</u>	<u>12,423</u>
Youth Investigation:				
Personal services	365,010	412,188	386,957	25,231
	<u>365,010</u>	<u>412,188</u>	<u>386,957</u>	<u>25,231</u>
Jail Operations:				
Personal services	1,496,183	1,590,028	1,489,526	100,502
Purchased/contracted	309,300	942,694	974,434	(31,740)
Supplies	402,885	435,538	435,538	-
Capital outlay	10,000	-	-	-
	<u>2,218,368</u>	<u>2,968,260</u>	<u>2,899,498</u>	<u>68,762</u>
Court Services:				
Personal services	482,454	552,559	545,948	6,611
	<u>482,454</u>	<u>552,559</u>	<u>545,948</u>	<u>6,611</u>
Dispatcher:				
Personal services	180,012	178,443	176,335	2,108
	<u>180,012</u>	<u>178,443</u>	<u>176,335</u>	<u>2,108</u>
Fire Administration:				
Personal services	107,654	101,987	101,679	308
Purchased/contracted	12,800	2,056	2,056	-
Supplies	15,300	9,680	9,680	-
Capital outlay	47,500	45,347	45,290	57
	<u>183,254</u>	<u>159,070</u>	<u>158,705</u>	<u>365</u>
Fire Fighting:				
Personal services	1,399,366	1,461,578	1,412,291	49,287
Purchased/contracted	103,547	84,661	87,788	(3,127)
Supplies	344,603	179,468	182,595	(3,127)
Capital outlay	-	51,000	51,000	-
Other costs	32,307	32,307	32,307	-
	<u>1,879,823</u>	<u>1,809,014</u>	<u>1,765,981</u>	<u>43,033</u>
Fire Training:				
Purchased/contracted	28,700	28,756	28,756	-
	<u>28,700</u>	<u>28,756</u>	<u>28,756</u>	<u>-</u>
Fire Station and Building:				
Purchased/contracted	45,000	22,303	22,303	-
Supplies	5,000	60,129	60,129	-
Capital outlay	-	164,706	19,654	145,052
	<u>50,000</u>	<u>247,138</u>	<u>102,086</u>	<u>145,052</u>
Coroner:				
Personal services	17,017	7,293	7,450	(157)
Purchased/contracted	22,290	18,486	18,357	129
Supplies	4,250	4,709	3,030	1,679
Capital outlay	20,609	18,881	18,881	-
	<u>\$ 64,166</u>	<u>\$ 49,369</u>	<u>\$ 47,718</u>	<u>\$ 1,651</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Animal Control:				
Personal services	\$ 257,128	\$ 237,760	\$ 223,735	\$ 14,025
Purchased/contracted	5,675	3,816	3,816	-
Supplies	31,600	27,197	27,706	(509)
Capital outlay	22,582	19,686	19,667	19
	<u>316,985</u>	<u>288,459</u>	<u>274,924</u>	<u>13,535</u>
Emergency Management:				
Personal services	89,133	89,152	86,303	2,849
Purchased/contracted	4,675	2,915	2,915	-
Supplies	9,500	4,412	4,533	(121)
Capital outlay	23,750	22,645	22,645	-
	<u>127,058</u>	<u>119,124</u>	<u>116,396</u>	<u>2,728</u>
TOTAL PUBLIC SAFETY	9,647,782	10,981,870	10,558,802	423,068
PUBLIC WORKS				
Highways and Streets Administration:				
Personal services	108,487	112,769	106,100	6,669
	<u>108,487</u>	<u>112,769</u>	<u>106,100</u>	<u>6,669</u>
Roadways and Walkways:				
Personal services	1,416,968	1,407,333	1,347,881	59,452
Purchased/contracted	99,850	198,650	198,650	-
Supplies	305,300	385,990	386,937	(947)
Capital outlay	1,461,135	1,250,189	1,335,996	(85,807)
	<u>3,283,253</u>	<u>3,242,162</u>	<u>3,269,464</u>	<u>(27,302)</u>
Unpaved Streets:				
Supplies	50,000	20,841	20,841	-
Capital outlay	360,000	285,112	285,112	-
	<u>410,000</u>	<u>305,953</u>	<u>305,953</u>	<u>-</u>
Other Maintenance:				
Personal services	16,000	8,588	9,137	(549)
Purchased/contracted	26,000	26,000	26,250	(250)
	<u>42,000</u>	<u>34,588</u>	<u>35,387</u>	<u>(799)</u>
Traffic Engineering:				
Personal services	156,876	155,855	145,832	10,023
Purchased/contracted	479,566	49,541	68,365	(18,824)
Supplies	258,200	286,874	286,874	-
Capital outlay	10,500	-	-	-
Other costs	250,000	250,000	250,000	-
	<u>\$ 1,155,142</u>	<u>\$ 742,270</u>	<u>\$ 751,071</u>	<u>\$ (8,801)</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Maintenance and shop:				
Personal services	\$ 419,920	\$ 329,326	\$ 269,859	\$ 59,467
Purchased/contracted	6,450	3,470	(2,004)	5,474
Supplies	33,500	17,424	(45,031)	62,455
Capital outlay	4,000	2,998	2,998	-
	<u>463,870</u>	<u>353,218</u>	<u>225,822</u>	<u>127,396</u>
TOTAL PUBLIC WORKS	5,462,752	4,790,960	4,693,797	124,465
HEALTH AND WELFARE				
Health Centers:				
Purchased/contracted	3,300	550	345	205
Supplies	2,000	3,047	3,047	-
Other costs	320,996	320,996	245,996	75,000
	<u>326,296</u>	<u>324,593</u>	<u>249,388</u>	<u>75,205</u>
Intergovernmental Welfare:				
Other costs	42,306	42,306	41,069	1,237
	<u>42,306</u>	<u>42,306</u>	<u>41,069</u>	<u>1,237</u>
Other Vendor Payments:				
Purchased/contracted	600	600	500	100
	<u>600</u>	<u>600</u>	<u>500</u>	<u>100</u>
Community Services:				
Other costs	171,050	171,050	174,484	(3,434)
	<u>171,050</u>	<u>171,050</u>	<u>174,484</u>	<u>(3,434)</u>
TOTAL HEALTH AND WELFARE	540,252	538,549	465,441	73,108
CULTURE/RECREATION				
Recreation:				
Other costs	300,000	272,135	272,135	-
	<u>300,000</u>	<u>272,135</u>	<u>272,135</u>	<u>-</u>
Parks:				
Personal services	83,764	74,466	55,321	19,145
Purchased/contracted	11,320	11,320	5,807	5,513
Supplies	32,950	42,639	37,935	4,704
Capital outlay	15,000	18,914	18,914	-
Other costs	2,500	-	-	-
	<u>145,534</u>	<u>147,339</u>	<u>117,977</u>	<u>29,362</u>
Libraries:				
Other costs	225,000	225,000	225,000	-
	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
TOTAL CULTURE/RECREATION	\$ 670,534	\$ 644,474	\$ 615,112	\$ 29,362

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
HOUSING AND DEVELOPMENT				
Agricultural Resources:				
Personal services	\$ 90,490	\$ 104,572	\$ 99,767	\$ 4,805
Purchased/contracted	4,025	4,741	3,254	1,487
Supplies	4,200	3,950	2,103	1,847
Other costs	15,710	19,140	19,140	-
	<u>114,425</u>	<u>132,403</u>	<u>124,264</u>	<u>8,139</u>
Forest Resources:				
Personal services	37,404	35,334	33,042	2,292
Purchased/contracted	4,560	4,560	4,560	-
	<u>41,964</u>	<u>39,894</u>	<u>37,602</u>	<u>2,292</u>
Protective Inspection:				
Personal services	316,215	319,736	302,351	17,385
	<u>316,215</u>	<u>319,736</u>	<u>302,351</u>	<u>17,385</u>
Planning and Zoning:				
Personal services	263,570	231,440	240,209	(8,769)
Purchased/contracted	211,499	202,753	160,521	42,232
Supplies	34,656	42,132	33,042	9,090
Capital outlay	15,975	-	-	-
	<u>525,700</u>	<u>476,325</u>	<u>433,772</u>	<u>42,553</u>
Code Enforcement:				
Personal services	43,495	13,793	6,380	7,413
	<u>43,495</u>	<u>13,793</u>	<u>6,380</u>	<u>7,413</u>
Economic Development:				
Other costs	313,546	213,546	213,546	-
	<u>313,546</u>	<u>213,546</u>	<u>213,546</u>	<u>-</u>
Other Costs:				
Other costs	3,600	78,600	78,596	4
	<u>3,600</u>	<u>78,600</u>	<u>78,596</u>	<u>4</u>
TOTAL HOUSING AND DEVELOPMENT	1,358,945	1,274,297	1,196,511	77,786
GRAND TOTAL	<u>\$ 24,949,464</u>	<u>\$ 25,475,587</u>	<u>\$24,293,209</u>	<u>\$ 1,208,063</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, 2002

	<u>Project Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total To Date</u>
Revenues				
Taxes	\$ 43,700,000	\$ -	\$ 2,721,701	\$ 2,721,701
Investment income	-	-	262,619	262,619
Total revenues	<u>43,700,000</u>	<u>-</u>	<u>2,984,320</u>	<u>2,984,320</u>
Expenditures				
Debt service:				
Issuance costs	330,000	-	357,734	357,734
Capital outlay	43,700,000	-	779,976	779,976
Total expenditures	<u>44,030,000</u>	<u>-</u>	<u>1,137,710</u>	<u>1,137,710</u>
Excess of revenues over (under) expenditures	<u>(330,000)</u>	<u>-</u>	<u>1,846,610</u>	<u>1,846,610</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	-	-	313,829	313,829
Transfers (out)	(31,324,500)	-	(1,113,914)	(1,113,914)
Total other financing sources and (uses)	<u>(3,022,712)</u>	<u>-</u>	<u>27,501,703</u>	<u>27,501,703</u>
Net change in fund balances	<u>\$ (3,352,712)</u>	<u>\$ -</u>	<u>29,348,313</u>	<u>\$ 29,348,313</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ 29,348,313</u>	

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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.

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 governmental resources and lease principal and interest when the government is obligated in some manner for the payment.

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
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2002

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Cash	\$ 1,134,156	\$ -	\$ 472,717	\$ 1,606,873
Investments	15,828	591,291	-	607,119
Due from other funds	39,706	-	35,656	75,362
Due from others	45,462	-	-	45,462
Due from other governments	-	-	-	-
Total assets	<u>\$ 1,235,152</u>	<u>\$ 591,291</u>	<u>\$ 508,373</u>	<u>\$ 2,334,816</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 19,838	\$ -	\$ -	\$ 19,838
Accrued liabilities	18,698	126,782	-	145,480
Due to other funds	-	-	159,187	159,187
Due to others	21,447	-	15,847	37,294
Total liabilities	<u>59,983</u>	<u>126,782</u>	<u>175,034</u>	<u>361,799</u>
Fund balances:				
Unreserved, reported in nonmajor:				
Special revenue funds	1,175,169	-	-	1,175,169
Debt Service fund	-	464,509	-	464,509
Capital project funds	-	-	333,339	333,339
Total fund balances	<u>1,175,169</u>	<u>464,509</u>	<u>333,339</u>	<u>1,973,017</u>
Total liabilities and fund balances	<u>\$ 1,235,152</u>	<u>\$ 591,291</u>	<u>\$ 508,373</u>	<u>\$ 2,334,816</u>

WALTON COUNTY, GEORGIA
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2002

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Charges for services	\$ 835,873	\$ -	\$ -	\$ 835,873
Fines and forfeitures	120,278	-	-	120,278
Intergovernmental	638,885	-	1,074,647	1,713,532
Interest	16,599	15,272	553	32,424
Donations	25,906	-	-	25,906
Other	53,619	-	1,050	54,669
Total revenues	<u>1,691,160</u>	<u>15,272</u>	<u>1,076,250</u>	<u>2,782,682</u>
Expenditures				
Current:				
General government	266,435	8,071	-	274,506
Judicial	49,177	-	-	49,177
Public safety	1,207,825	-	-	1,207,825
Culture and recreation	-	-	-	-
Debt Service:				
Principal	-	1,730,915	-	1,730,915
Interest	-	1,057,086	-	1,057,086
Capital outlay	-	-	928,652	928,652
Total expenditures	<u>1,523,437</u>	<u>2,796,072</u>	<u>928,652</u>	<u>5,248,161</u>
Excess of revenues over (under) expenditures	<u>167,723</u>	<u>(2,780,800)</u>	<u>147,598</u>	<u>(2,465,479)</u>
Other financing sources (uses)				
Transfers (out)	(1,519,949)	-	-	(1,519,949)
Transfers in	1,662,151	2,722,999	124,375	4,509,525
Total other financing sources (uses)	<u>142,202</u>	<u>2,722,999</u>	<u>124,375</u>	<u>2,989,576</u>
Net change in fund balance	309,925	(57,801)	271,973	524,097
Fund balance - beginning, restated	<u>865,244</u>	<u>522,310</u>	<u>61,366</u>	<u>1,448,920</u>
Fund balance - ending	<u>\$ 1,175,169</u>	<u>\$ 464,509</u>	<u>\$ 333,339</u>	<u>\$ 1,973,017</u>

WALTON COUNTY, GEORGIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2002

	Emergency 911	DARE Program	Forfeited Drug Seizure Fund	Seized Drug Fund	Law Library
Assets					
Cash	\$ -	\$ 18,817	\$ 10,133	\$ 21,632	\$ 41,820
Investments	-	-	-	-	15,828
Due from other funds	-	-	-	-	-
Due from others	-	-	-	-	-
Total assets	\$ -	\$ 18,817	\$ 10,133	\$ 21,632	\$ 57,648
Liabilities and fund balance					
Liabilities:					
Accounts payable	\$ 15,813	\$ -	\$ -	\$ -	\$ -
Salaries and wages payable	18,698	-	-	-	-
Due to other funds	-	-	-	-	-
Due to others	-	-	-	-	-
Total liabilities	34,511	-	-	-	-
Fund balances:					
Unreserved, reported in nonmajor:					
Special revenue funds	(34,511)	18,817	10,133	21,632	57,648
Total fund balances	(34,511)	18,817	10,133	21,632	57,648
Total liabilities and fund balance	\$ -	\$ 18,817	\$ 10,133	\$ 21,632	\$ 57,648

<u>Crime Victim Assistance</u>	<u>DATEF</u>	<u>Clerk's Authority</u>	<u>Juvenile Supplemental Services</u>	<u>Multiple Grant Fund</u>	<u>Greenspace Trust Fund</u>	<u>Total</u>
#####	\$ 50,149	\$ 64,286	\$106,075	\$131,412	\$ 469,664	\$1,134,156
-	-	-	-	-	-	15,828
-	39,706	-	-	-	-	39,706
-	-	-	-	45,462	-	45,462
<u>#####</u>	<u>\$ 89,855</u>	<u>\$ 64,286</u>	<u>\$106,075</u>	<u>\$176,874</u>	<u>\$ 469,664</u>	<u>\$1,235,152</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,025	\$ -	\$ 19,838
-	-	-	-	-	-	18,698
-	-	-	-	-	-	-
-	4,526	-	-	16,921	-	21,447
-	4,526	-	-	20,946	-	59,983
						-
<u>220,168</u>	<u>85,329</u>	<u>64,286</u>	<u>106,075</u>	<u>155,928</u>	<u>469,664</u>	<u>1,175,169</u>
<u>220,168</u>	<u>85,329</u>	<u>64,286</u>	<u>106,075</u>	<u>155,928</u>	<u>469,664</u>	<u>1,175,169</u>
<u>#####</u>	<u>\$ 89,855</u>	<u>\$ 64,286</u>	<u>\$106,075</u>	<u>\$176,874</u>	<u>\$ 469,664</u>	<u>\$1,235,152</u>

WALTON COUNTY, GEORGIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2002

	<u>Emergency 911</u>	<u>DARE Program</u>	<u>Forfeited Drug Seizure Fund</u>	<u>Seized Drug Fund</u>	<u>Law Library</u>
Revenues					
Charges for services	\$ 835,873	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	2,073	-	64,609
Interest	-	-	336	69	996
Donations	-	25,906	-	-	-
Other	-	-	-	12,948	-
Total revenues	<u>835,873</u>	<u>25,906</u>	<u>2,409</u>	<u>13,017</u>	<u>65,605</u>
Expenditures					
General government	-	-	-	-	-
Judicial	-	-	-	-	49,177
Public safety	997,350	20,501	27,640	7,728	-
Other	-	-	-	-	-
Total expenditures	<u>997,350</u>	<u>20,501</u>	<u>27,640</u>	<u>7,728</u>	<u>49,177</u>
Excess of revenues over (under) expenditures	<u>(161,477)</u>	<u>5,405</u>	<u>(25,231)</u>	<u>5,289</u>	<u>16,428</u>
Other financing sources (uses)					
Transfers (out)	(1,391,443)	-	-	-	-
Transfers in	<u>1,547,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>155,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,694)	5,405	(25,231)	5,289	16,428
Fund balance - beginning, restated	<u>(28,817)</u>	<u>13,412</u>	<u>35,364</u>	<u>16,343</u>	<u>41,220</u>
Fund balance - ending	<u>\$ (34,511)</u>	<u>\$ 18,817</u>	<u>\$ 10,133</u>	<u>\$ 21,632</u>	<u>\$ 57,648</u>

Crime Victim Assistance	DATEF	Clerk's Authority	Juvenile Supplemental Services	Multiple Grant Fund	Greenspace Trust Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 835,873
78,895	41,383	-	-	-	-	120,278
-	-	-	-	352,358	219,845	638,885
-	1,504	1,101	-	7,101	5,492	16,599
-	-	-	-	-	-	25,906
-	-	10,632	30,035	-	4	53,619
<u>78,895</u>	<u>42,887</u>	<u>11,733</u>	<u>30,035</u>	<u>359,459</u>	<u>225,341</u>	<u>1,691,160</u>
-	-	-	-	266,435	-	266,435
-	-	-	-	-	-	49,177
31,914	102,083	1,700	18,909	-	-	1,207,825
-	-	-	-	-	-	-
<u>31,914</u>	<u>102,083</u>	<u>1700</u>	<u>18,909</u>	<u>266,435</u>	<u>-</u>	<u>1,523,437</u>
<u>46,981</u>	<u>(59,196)</u>	<u>10,033</u>	<u>11,126</u>	<u>93,024</u>	<u>225,341</u>	<u>167,723</u>
-	(5,266)	-	-	(123,240)	-	(1,519,949)
-	-	-	-	114,925	-	1,662,151
-	(5,266)	-	-	(8,315)	-	142,202
46,981	(64,462)	10,033	11,126	84,709	225,341	309,925
<u>173,187</u>	<u>149,791</u>	<u>54,253</u>	<u>94,949</u>	<u>71,219</u>	<u>244,323</u>	<u>865,244</u>
<u>\$220,168</u>	<u>\$ 85,329</u>	<u>\$ 64,286</u>	<u>\$106,075</u>	<u>\$155,928</u>	<u>\$ 469,664</u>	<u>\$1,175,169</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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Charges for services	\$ 775,416	\$ 827,910	\$ 835,873	\$ 7,963
Total revenues	<u>775,416</u>	<u>827,910</u>	<u>835,873</u>	<u>7,963</u>
Expenditures				
Public safety	1,288,360	1,075,931	997,350	78,581
Total expenditures	<u>1,288,360</u>	<u>1,075,931</u>	<u>997,350</u>	<u>78,581</u>
Excess of revenues under expenditures	<u>(512,944)</u>	<u>(248,021)</u>	<u>(161,477)</u>	<u>86,544</u>
Other financing sources (uses)				
Transfers out	-	(1,308,021)	(1,391,443)	(83,422)
Transfers in	512,944	1,547,226	1,547,226	-
Total other financing sources (uses)	<u>512,944</u>	<u>239,205</u>	<u>155,783</u>	<u>(83,422)</u>
Net change in fund balance	-	(8,816)	(5,694)	3,122
Fund balance - beginning, restated	<u>(28,817)</u>	<u>(28,817)</u>	<u>(28,817)</u>	<u>-</u>
Fund balance - ending	<u>\$ (28,817)</u>	<u>\$ (37,633)</u>	<u>\$ (34,511)</u>	<u>\$ 3,122</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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Donations	\$ 23,625	\$ 23,625	\$ 25,906	\$ 2,281
Total revenues	<u>23,625</u>	<u>23,625</u>	<u>25,906</u>	<u>2,281</u>
Expenditures				
Public safety	20,150	20,150	20,501	(351)
Total expenditures	<u>20,150</u>	<u>20,150</u>	<u>20,501</u>	<u>(351)</u>
Net change in fund balance	3,475	3,475	5,405	1,930
Fund balance - beginning	<u>13,412</u>	<u>13,412</u>	<u>13,412</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 16,887</u></u>	<u><u>\$ 16,887</u></u>	<u><u>\$ 18,817</u></u>	<u><u>\$ 1,930</u></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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 1,225	\$ 1,225	\$ 336	\$ (889)
Intergovernmental	8,500	8,500	2,073	(6,427)
Total revenues	<u>9,725</u>	<u>9,725</u>	<u>2,409</u>	<u>(7,316)</u>
Expenditures				
Public safety	14,650	14,650	27,640	(12,990)
Total expenditures	<u>14,650</u>	<u>14,650</u>	<u>27,640</u>	<u>(12,990)</u>
Net change in fund balance	(4,925)	(4,925)	(25,231)	(20,306)
Fund balance - beginning	<u>35,364</u>	<u>35,364</u>	<u>35,364</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 30,439</u></u>	<u><u>\$ 30,439</u></u>	<u><u>\$ 10,133</u></u>	<u><u>\$ (20,306)</u></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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 185	\$ 185	\$ 69	\$ (116)
Other	3,450	3,450	12,948	9,498
Total revenues	<u>3,635</u>	<u>3,635</u>	<u>13,017</u>	<u>9,382</u>
Expenditures				
Public safety	4,500	4,500	7,728	(3,228)
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>7,728</u>	<u>(3,228)</u>
Net change in fund balance	(865)	(865)	5,289	6,154
Fund balance - beginning	<u>16,343</u>	<u>16,343</u>	<u>16,343</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 15,478</u></u>	<u><u>\$ 15,478</u></u>	<u><u>\$ 21,632</u></u>	<u><u>\$ 6,154</u></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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 100	\$ -	\$ 996	\$ 996
Fines and forfeitures	-	-	-	-
Intergovernmental	50,000	50,000	64,609	14,609
Total revenues	<u>50,100</u>	<u>50,000</u>	<u>65,605</u>	<u>15,605</u>
Expenditures				
Judicial	42,300	42,300	49,177	(6,877)
Total expenditures	<u>42,300</u>	<u>42,300</u>	<u>49,177</u>	<u>(6,877)</u>
Net change in fund balance	7,800	7,700	16,428	8,728
Fund balance - beginning, restated	<u>17,643</u>	<u>17,643</u>	<u>41,220</u>	<u>17,643</u>
Fund balance - ending	<u>\$ 25,443</u>	<u>\$ 25,343</u>	<u>\$ 57,648</u>	<u>\$ 26,371</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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Fines and forfeitures	\$ 58,500	\$ 58,500	\$ 78,895	\$ 20,395
Total revenues	<u>58,500</u>	<u>58,500</u>	<u>78,895</u>	<u>20,395</u>
Expenditures				
Public safety	10,125	10,125	31,914	(21,789)
Total expenditures	<u>10,125</u>	<u>10,125</u>	<u>31,914</u>	<u>(21,789)</u>
Net change in fund balance	48,375	48,375	46,981	(1,394)
Fund balance - beginning	<u>173,187</u>	<u>173,187</u>	<u>173,187</u>	<u>-</u>
Fund balance - ending	<u>\$ 221,562</u>	<u>\$ 221,562</u>	<u>\$ 220,168</u>	<u>\$ (1,394)</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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 8,700	\$ 8,700	\$ 1,504	\$ (7,196)
Fines and forfeitures	40,200	40,200	41,383	1,183
Total revenues	<u>48,900</u>	<u>48,900</u>	<u>42,887</u>	<u>(6,013)</u>
Expenditures				
Public safety	135,996	88,841	102,083	(13,242)
Total expenditures	<u>135,996</u>	<u>88,841</u>	<u>102,083</u>	<u>(13,242)</u>
Excess of revenues under expenditures	<u>(87,096)</u>	<u>(39,941)</u>	<u>(59,196)</u>	<u>(19,255)</u>
Other financing uses				
Transfers (out)	-	(5,266)	(5,266)	-
Total other financing uses	<u>-</u>	<u>(5,266)</u>	<u>(5,266)</u>	<u>-</u>
Net change in fund balance	(87,096)	(45,207)	(64,462)	(19,255)
Fund balance - beginning	<u>149,791</u>	<u>149,791</u>	<u>149,791</u>	<u>-</u>
Fund balance - ending	<u>\$ 62,695</u>	<u>\$ 104,584</u>	<u>\$ 85,329</u>	<u>\$ (19,255)</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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ -	\$ -	\$ 1,101	\$ 1,101
Other	-	-	10,632	10,632
Total revenues	-	-	11,733	11,733
Expenditures				
Public safety	-	-	1,700	(1,700)
Total expenditures	-	-	1,700	(1,700)
Net change in fund balance	-	-	10,033	10,033
Fund balance - beginning	54,253	54,253	54,253	-
Fund balance - ending	<u>\$ 54,253</u>	<u>\$ 54,253</u>	<u>\$ 64,286</u>	<u>\$ 10,033</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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Other	\$ 35,500	\$ 35,500	\$ 30,035	\$ (5,465)
Total revenues	<u>35,500</u>	<u>35,500</u>	<u>30,035</u>	<u>(5,465)</u>
Expenditures				
Public safety	<u>30,500</u>	<u>30,500</u>	<u>18,909</u>	<u>11,591</u>
Total expenditures	<u>30,500</u>	<u>30,500</u>	<u>18,909</u>	<u>11,591</u>
Net change in fund balance	5,000	5,000	11,126	6,126
Fund balance - beginning	<u>94,949</u>	<u>94,949</u>	<u>94,949</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 99,949</u></u>	<u><u>\$ 99,949</u></u>	<u><u>\$ 106,075</u></u>	<u><u>\$ 6,126</u></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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 414,073	\$ 259,364	\$ 352,358	\$ 92,994
Interest	-	-	7,101	7,101
Total revenues	<u>414,073</u>	<u>259,364</u>	<u>359,459</u>	<u>100,095</u>
Expenditures				
General government	<u>458,717</u>	<u>254,210</u>	<u>266,435</u>	<u>(12,225)</u>
Total expenditures	<u>458,717</u>	<u>254,210</u>	<u>266,435</u>	<u>(12,225)</u>
Excess of revenues over (under) expenditures	<u>(44,644)</u>	<u>5,154</u>	<u>93,024</u>	<u>87,870</u>
Other financing sources (uses)				
Transfers out	-	(109,229)	(123,240)	(14,011)
Transfers in	<u>36,101</u>	<u>141,305</u>	<u>114,925</u>	<u>(26,380)</u>
Total other financing sources (uses)	<u>36,101</u>	<u>32,076</u>	<u>(8,315)</u>	<u>(40,391)</u>
Net change in fund balance	<u>(8,543)</u>	<u>37,230</u>	<u>84,709</u>	<u>47,479</u>
Fund balance - beginning	<u>71,219</u>	<u>71,219</u>	<u>71,219</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 62,676</u></u>	<u><u>\$ 108,449</u></u>	<u><u>\$ 155,928</u></u>	<u><u>\$ 47,479</u></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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 219,845	\$ 219,845
Interest	-	5,492	5,492	-
Other	-	-	4	4
Total revenues	<u>-</u>	<u>5,492</u>	<u>225,341</u>	<u>219,849</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>5,492</u>	<u>225,341</u>	<u>219,849</u>
Fund balance - beginning	<u>244,323</u>	<u>244,323</u>	<u>244,323</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 244,323</u></u>	<u><u>\$ 249,815</u></u>	<u><u>\$ 469,664</u></u>	<u><u>\$ 219,849</u></u>

WALTON COUNTY, GEORGIA
Debt Service Fund
Balance Sheet
June 30, 2002

	<u>2002</u>
Assets	
Investments with fiscal agent	\$ 591,291
Total assets	<u>\$ 591,291</u>
Liabilities and fund balance	
Liabilities:	
Accrued interest payable	\$ 126,782
Total liabilities	<u>126,782</u>
Fund balance:	
Reserved	<u>464,509</u>
Total fund balance	<u>464,509</u>
Total liabilities and fund balance	<u>\$ 591,291</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, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Interest and dividends	\$ -	\$ -	\$ 15,272	\$ 15,272
Total revenues	-	-	15,272	15,272
Expenditures				
Debt service				
Principal	1,509,440	1,509,440	1,730,915	(221,475)
Interest	660,218	660,218	1,057,086	(396,868)
Administrative expense	24,196	24,196	8,071	16,125
Total expenditures	2,193,854	2,193,854	2,796,072	(602,218)
Excess of revenues under expenditures	(2,193,854)	(2,193,854)	(2,780,800)	(586,946)
Other financing sources (uses)				
Capital lease proceeds	-	752,570	-	(752,570)
Transfers (out)	-	(104,400)	-	104,400
Transfers in	2,193,854	1,307,264	2,722,999	1,415,735
Total other financing sources (uses)	2,193,854	1,955,434	2,722,999	767,565
Excess of revenues and other sources under expenditures and other uses	\$ -	\$ (238,420)	(57,801)	\$ 180,619
Fund balance - beginning			522,310	
Fund balance - ending			\$ 464,509	

WALTON COUNTY, GEORGIA
Capital Projects Fund
Balance Sheet
June 30, 2002

	2002
Assets	
Cash	\$ 472,717
Due from other funds	35,656
Total assets	\$ 508,373
 Liabilities and fund balance	
Liabilities:	
Due to others	\$ 15,847
Due to other funds	159,187
Total liabilities	175,034
 Fund balances:	
Unreserved, reported in nonmajor:	
Capital project funds	333,339
Total fund balance	333,339
Total liabilities and fund balance	\$ 508,373

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, 2002

	Capital Projects			Total To Date
	Project Budget	Prior Year	Current Year	
Revenues				
Intergovernmental	\$ 1,876,000	\$ 476,717	\$ 1,074,647	\$ 1,551,364
Other	437,000	175,000	1,050	176,050
Interest	-	6,834	553	7,387
Total revenues	<u>2,313,000</u>	<u>658,551</u>	<u>1,076,250</u>	<u>1,734,801</u>
Expenditures				
Purchased/Contracted	-	4,000	-	4,000
Capital outlay	2,288,000	966,829	928,652	1,895,481
Issuance and admin costs	25,000	87,521	-	87,521
Total expenditures	<u>2,313,000</u>	<u>1,054,350</u>	<u>928,652</u>	<u>1,983,002</u>
Excess of revenues over (under) expenditures	-	(395,799)	147,598	(248,201)
Other financing sources (uses)				
Transfers in	-	783,360	124,375	907,735
Transfers out	-	(39,000)	-	(39,000)
Total other financing sources (uses)	<u>-</u>	<u>744,360</u>	<u>124,375</u>	<u>868,735</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 348,561</u>	271,973	<u>\$ 620,534</u>
Fund balance - beginning, restated			<u>61,366</u>	
Fund balance - ending			<u>\$ 333,339</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, 2002

	<u>Employee Benefits Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 94,149	\$ -	\$ 94,149
Investments	702,081	469,806	1,171,887
Total assets	<u>796,230</u>	<u>469,806</u>	<u>1,266,036</u>
Liabilities			
Current liabilities			
Bank overdraft	\$ 244,051	\$ -	\$ 244,051
Accounts payable	448,562	189,651	638,213
Total liabilities	<u>692,613</u>	<u>189,651</u>	<u>882,264</u>
Net assets			
Unreserved:			
Designated for employee benefits	103,617	280,155	383,772
Total net assets	<u>\$ 103,617</u>	<u>\$ 280,155</u>	<u>\$ 383,772</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, 2002

	Employee Benefits Fund	Workers Compensation Fund	Total
Revenues			
Other revenues	\$ 2,088,060	\$ 3,136	\$ 2,091,196
Total operating revenues	<u>2,088,060</u>	<u>3,136</u>	<u>2,091,196</u>
Expenses			
Non departmental	2,978,064	325,835	3,303,899
Total operating expenses	<u>2,978,064</u>	<u>325,835</u>	<u>3,303,899</u>
Operating loss	<u>(890,004)</u>	<u>(322,699)</u>	<u>(1,212,703)</u>
Nonoperating revenues			
Transfers in	500,000	-	500,000
Interest earned	33,215	16,195	49,410
Net increase in fair value of investments	51	-	51
Total nonoperating revenues	<u>533,266</u>	<u>16,195</u>	<u>549,461</u>
Net loss	(356,738)	(306,504)	(663,242)
Total net assets - beginning	<u>460,355</u>	<u>586,659</u>	<u>1,047,014</u>
Total net assets - ending	<u>\$ 103,617</u>	<u>\$ 280,155</u>	<u>\$ 383,772</u>

WALTON COUNTY, GEORGIA
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2002

	Employee Benefits Fund	Workers Compensation Fund	Total
Cash flows from operating activities:			
Claims paid to outsiders	\$(2,799,554)	\$ (153,037)	\$(2,952,591)
Other operations revenues	2,088,060	3,136	2,091,196
Net cash used by operating activities	(711,494)	(149,901)	(861,395)
Cash flows from noncapital financing activities:			
Transfers from other funds	500,000	-	500,000
Net cash provided by noncapital financing activities	500,000	-	500,000
Cash flows from investing activities:			
Net investment income	33,266	16,195	49,461
Net cash provided by investing activities	33,266	16,195	49,461
Net decrease in cash and cash equivalents	(178,228)	(133,706)	(311,934)
Cash and cash equivalents, July 1	974,458	603,512	1,577,970
Cash and cash equivalents, June 30	\$ 796,230	\$ 469,806	\$ 1,266,036
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (890,004)	\$ (322,699)	\$(1,212,703)
Adjustments to reconcile operating income to net cash used by operating activities:			
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	179,018	172,798	351,816
Increase (decrease) in bank overdraft	(508)	-	(508)
Total adjustments	178,510	172,798	351,308
Net cash used by operating activities	\$ (711,494)	\$ (149,901)	\$ (861,395)

Fiduciary Funds

WALTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2002

	<u>Balance</u> <u>06/30/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/02</u>
<u>TAX COMMISSIONER</u>				
Assets				
Cash	\$ 24,175	\$ 47,584,518	\$ 47,572,002	\$ 36,691
Receivables	762	39,883	40,698	(53)
Due from other funds	9,127	-	9,127	-
	<u>\$ 34,064</u>	<u>\$ 47,624,401</u>	<u>\$ 47,621,827</u>	<u>\$ 36,638</u>
Liabilities				
Due to other funds	\$ -	\$ 17,364,404	\$ 17,352,372	\$ 12,032
Due to other governments	-	29,977,409	29,974,753	2,656
Due to others	34,064	282,588	294,702	21,950
	<u>\$ 34,064</u>	<u>\$ 47,624,401</u>	<u>\$ 47,621,827</u>	<u>\$ 36,638</u>
<u>SHERIFF</u>				
Assets				
Cash	<u>\$ 51,843</u>	<u>\$ 901,092</u>	<u>\$ 918,413</u>	<u>\$ 34,522</u>
Liabilities				
Due to other funds	\$ 48,885	\$ 474,204	\$ 491,368	\$ 31,721
Due to other governments	-	9,890	9,890	-
Due to others	2,958	416,998	417,155	2,801
	<u>\$ 51,843</u>	<u>\$ 901,092</u>	<u>\$ 918,413</u>	<u>\$ 34,522</u>
<u>CLERK OF SUPERIOR COURT</u>				
Assets				
Cash	\$ 176,840	\$ 3,577,363	\$ 3,560,144	\$ 194,059
Due from other funds	-	-	-	-
	<u>\$ 176,840</u>	<u>\$ 3,577,363</u>	<u>\$ 3,560,144</u>	<u>\$ 194,059</u>
Liabilities				
Due to other funds	\$ -	\$ 1,602,882	\$ 1,602,882	\$ -
Due to other governments	-	540,697	540,697	-
Due to others	176,840	1,433,784	1,416,565	194,059
	<u>\$ 176,840</u>	<u>\$ 3,577,363</u>	<u>\$ 3,560,144</u>	<u>\$ 194,059</u>

WALTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2002

	<u>Balance 06/30/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/02</u>
<u>PROBATE COURT</u>				
Assets				
Cash	\$ -	\$ 1,162,067	\$ 1,162,067	\$ -
Due from other funds	-	-	-	-
	<u>\$ -</u>	<u>\$ 1,162,067</u>	<u>\$ 1,162,067</u>	<u>\$ -</u>
Liabilities				
Due to other funds	\$ -	\$ 834,833	\$ 834,833	\$ -
Due to other governments	-	9,463	9,463	-
Due to others	-	317,771	317,771	-
	<u>\$ -</u>	<u>\$ 1,162,067</u>	<u>\$ 1,162,067</u>	<u>\$ -</u>
<u>MAGISTRATE COURT</u>				
Assets				
Cash	\$ 22,675	\$ 581,029	\$ 574,453	\$ 29,251
Due from other funds	-	-	-	-
	<u>\$ 22,675</u>	<u>\$ 581,029</u>	<u>\$ 574,453</u>	<u>\$ 29,251</u>
Liabilities				
Due to other funds	\$ -	\$ 240,020	\$ 240,020	\$ -
Due to other governments	-	47,629	47,629	-
Due to others	22,675	293,380	286,804	29,251
	<u>\$ 22,675</u>	<u>\$ 581,029</u>	<u>\$ 574,453</u>	<u>\$ 29,251</u>
<u>JUVENILE COURT</u>				
Assets				
Cash	\$ 2,011	\$ 16,991	\$ 17,698	\$ 1,304
Due from other funds	-	-	-	-
	<u>\$ 2,011</u>	<u>\$ 16,991</u>	<u>\$ 17,698</u>	<u>\$ 1,304</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	16,000	16,000	-
Due to others	2,011	991	1,698	1,304
	<u>\$ 2,011</u>	<u>\$ 16,991</u>	<u>\$ 17,698</u>	<u>\$ 1,304</u>

WALTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2002

	<u>Balance</u> <u>06/30/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/02</u>
<u>TAX ASSESSORS</u>				
Assets				
Cash	\$ 75	\$ 9,083	\$ 6,063	\$ 3,095
Due from other funds	-	-	-	-
	<u>\$ 75</u>	<u>\$ 9,083</u>	<u>\$ 6,063</u>	<u>\$ 3,095</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	75	5,823	5,823	75
Due to others	-	3,260	240	3,020
	<u>\$ 75</u>	<u>\$ 9,083</u>	<u>\$ 6,063</u>	<u>\$ 3,095</u>
<u>CODE ENFORCEMENT</u>				
Assets				
Cash	\$ -	\$ 901,899	\$ 901,675	\$ 224
Due from other funds	-	-	-	-
	<u>\$ -</u>	<u>\$ 901,899</u>	<u>\$ 901,675</u>	<u>\$ 224</u>
Liabilities				
Due to other funds	\$ -	\$ 901,899	\$ 901,675	\$ 224
Due to other governments	-	-	-	-
Due to others	-	-	-	-
	<u>\$ -</u>	<u>\$ 901,899</u>	<u>\$ 901,675</u>	<u>\$ 224</u>
<u>ANIMAL CONTROL</u>				
Assets				
Cash	\$ 164	\$ 25,843	\$ 27,079	\$ (1,072)
Due from other funds	-	-	-	-
	<u>\$ 164</u>	<u>\$ 25,843</u>	<u>\$ 27,079</u>	<u>\$ (1,072)</u>
Liabilities				
Due to other funds	\$ 164	\$ 25,843	\$ 27,079	\$ (1,072)
Due to other governments	-	-	-	-
Due to others	-	-	-	-
	<u>\$ 164</u>	<u>\$ 25,843</u>	<u>\$ 27,079</u>	<u>\$ (1,072)</u>
<u>TOTALS</u>				
Assets				
Cash	\$ 277,783	\$ 54,759,886	\$ 54,739,594	\$ 298,075
Receivables	762	39,883	40,698	(53)
Due from other funds	9,127	-	9,127	-
	<u>\$ 287,672</u>	<u>\$ 54,799,769</u>	<u>\$ 54,789,419</u>	<u>\$ 298,022</u>
Liabilities				
Due to other funds	\$ 49,049	\$ 21,444,085	\$ 21,450,229	\$ 42,905
Due to other governments	75	30,606,911	30,604,255	2,731
Due to others	238,548	2,748,773	2,734,935	252,386
	<u>\$ 287,672</u>	<u>\$ 54,799,769</u>	<u>\$ 54,789,419</u>	<u>\$ 298,022</u>

STATISTICAL SECTION

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

Fiscal Year	General Government	Public Safety	Judicial	Highways and Streets	Culture and Recreation	Debt Service	Other	Total
2002	\$ 4,159	\$ 11,767	\$ 2,928	\$ 4,694	\$ 615	\$ 3,146	\$ 1,662	\$ 28,971
2001	3,804	8,378	2,443	2,718	-	-	2,224	19,567
2000	6,817	7,684	2,376	4,072	-	4,450	728	26,127
1999	6,275	6,797	2,027	3,721	-	627	709	20,156
1998	6,202	6,283	1,750	3,063	-	774	647	18,719
1997	5,533	5,555	1,782	3,198	-	590	792	17,450
1996	5,351	5,408	1,635	2,435	-	-	697	15,526
1995	5,357	4,778	1,562	2,594	-	331	3,396	18,018
1994	4,736	3,913	1,471	1,845	-	522	3,479	15,966
1993	3,824	4,310	1,482	2,367	-	-	915	12,898

(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
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	1209	24,387
1999	17,365	741	712	967	475	257	1205	21,722
1998	15,365	604	629	964	581	354	1226	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	2481	17,684
1994	12,084	326	520	715	619	206	2910	17,380
1993	11,096	671	345	288	703	20	1985	15,108

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

Table 3

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Insurance Premium Tax	Real Estate Transfer Tax	Total
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
1994	8,505	1,993	63	87	649	55	11,352
1993	9,137	1,764	46	88	586	47	11,668

Table 4

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
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

Table 5

WALTON COUNTY, GEORGIA
Assessed and Estimated Actual Value of Property
Last Ten Fiscal 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	
2002	\$1,545,643	3,864,108	\$ 199,492	498,730	\$ 139,084	\$ 1,606,051	\$4,362,838	36.8%
2001	1,482,564	3,706,410	187,413	468,533	138,635	1,531,342	4,174,943	36.7%
2000	1,238,933	3,097,333	160,755	401,888	113,569	1,286,119	3,499,221	36.8%
1999	1,126,124	2,815,310	145,095	362,738	107,970	1,163,249	3,178,048	36.6%
1998	968,244	2,420,610	154,023	385,058	94,661	1,027,606	2,805,668	36.6%
1997	907,180	2,267,950	76,815	192,038	91,475	892,520	2,459,988	36.3%
1996	790,148	1,975,370	106,677	266,693	89,300	807,525	2,242,063	36.0%
1995	740,715	1,851,788	94,685	236,713	85,501	749,899	2,088,501	35.9%
1994	697,662	1,744,155	74,526	186,315	64,240	707,948	1,930,470	36.7%
1993	627,805	1,569,513	66,734	166,835	56,850	637,689	1,736,348	36.7%

Table 6

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>
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
1994	0.25	10.83	13.75	-	24.83
1993	0.25	11.83	13.75	-	25.83

Table 7

WALTON COUNTY, GEORGIA
Principal Taxpayers
June 30, 2002
(000's omitted)
(Unaudited)

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Levied</u>	<u>Percentage of Total Assessed Value</u>
Doyle 1 LLC	\$ 33,431	\$ 945	2.18%
Walton EMC	16,353	462	1.07%
Pike Electric Inc	15,333	434	1.00%
Transcontinental Gas	8,367	237	0.55%
Avondale Mills	7,911	224	0.52%
Alltel GA Communications	6,477	183	0.42%
Georgia Power Corp.	4,114	116	0.27%
BellSouth Telecomm Inc.	3,952	112	0.26%
Standridge Color Corp.	3,790	107	0.25%
Harry M. Arnold, Jr.	3,581	101	0.23%
	<u>\$ 103,309</u>	2,921	6.75%

Total Assessed for all Taxpayers \$ 1,531,341

Table 8

WALTON COUNTY, GEORGIA
Special Assessment Billings and Collections
Last Ten Fiscal 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>
2002	\$ 233	\$ 216	92.7%
2001	200	201	100.5%
2000	178	181	101.7%
1999	160	159	99.4%
1998	521	522	100.2%
1997	856	841	98.2%
1996	728	781	107.3%
1995	794	785	98.9%
1994	616	602	97.7%
1993	582	576	99.0%

WALTON COUNTY, GEORGIA
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 2002
(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 General Obligation Bonds	27,680	100%	27,680
Total Direct	27,680		27,680
Overlapping:			
Walton County Board of Education	11,480	100%	11,480
Walton County Development Authority	2,600	100%	2,600
Joint Development Authority of Jasper Morgan, Newton & Walton Counties	8,700	37.50%	3,263
Total Overlapping	22,780		17,343
Total Direct and Overlapping	50,460		45,023

WALTON COUNTY, GEORGIA
Computation of Legal Debt Margin
June 30, 2002
(amounts expressed in thousands)
(Unaudited)

Assessed valuations:	
Assessed value	\$ 1,606,051
Add back: exempt real property	<u>139,084</u>
Total assessed value	1,745,135
Legal debt margin:	
Debt limitation-10% of assessed value	174,514
Debt applicable to limitation:	
Total bonded debt	27,880
Less: Revenue bonds	<u>-</u>
Total debt applicable to limitation	<u>27,880</u>
Legal debt margin:	<u><u>\$ 146,634</u></u>

COMPLIANCE SECTION

Treadwell, Tamplin & Co.

Certified Public Accountants
A Limited Liability Partnership

157 West Jefferson Street
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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 Walton County, Georgia as of and for the year ended June 30, 2002, and have issued our report thereon dated April 19, 2003. 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 generally accepted 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.

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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*:

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Walton County, Georgia's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01-3, 01-4, 01-5.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. 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 April 19, 2003.

This report is intended solely for the information of the Board of Commissioners, management, and government agencies, and is not intended to be and should not be used by anyone other than these specified parties.

April 19, 2003

Treadwell, Tamplin & Co., CPA's

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Commissioners of
Walton County, Georgia

We have audited the compliance of Walton County, Georgia, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. Walton County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Walton County, Georgia's management. Our responsibility is to express an opinion on Walton County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Walton County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Walton County, Georgia's compliance with those requirements.

In our opinion, Walton County, Georgia, complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Walton County, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Walton County, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 that noncompliance with applicable requirements of laws, regulations contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

WALTON COUNTY, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

<u>Federal Grantor/ Pass through grants</u>	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Award</u>	<u>Receipts</u>	<u>To Date Expenditures</u>
Department of Housing & Urban Development					
Passed through -					
Georgia Dept. of Community Affairs	14.219	97p-y-147-000-071	\$ 500,000	\$ 500,000	\$ 500,000
Community Development Block Grant	14.219	02p-y-147-1-2638	500,000	-	-
	14.219	00p-y-147-1-2363	500,000	482,782	481,130
			<u>1,500,000</u>	<u>982,782</u>	<u>981,130</u>
Department of Justice					
Passed through - Criminal Justice	16.575	98-VA-GX-0013	49,203	49,203	49,203
Coordinating Council -	16.575	C00-8-111	61,504	56,409	56,409
Victim Witness Assistance Program	16.575	C01-8-105	73,899	29,865	29,865
			<u>184,606</u>	<u>135,477</u>	<u>135,477</u>
Passed through - Children & Youth Coordinating Council	16.540	00B-CM-0009	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>
Juvenile Justice Prosecutor Program			36,000	36,000	36,000
Passed through - Children & Youth Coordinating Council	16.523	01B-ST-0001	23,500	13,312	13,312
Juvenile Accountability Based	16.523	99B-ST-0004	25,000	2,978	2,978
Sanctions Program	16.523	00B-ST-0001	25,000	25,000	25,000
			<u>73,500</u>	<u>41,290</u>	<u>41,290</u>
Local Law Enforcement	16.592	2001-LB-BX-0934	38,637	38,637	-
Block Grant Program	16.592	2002-LB-BX-1804	29,553	-	-
	16.592	1995-CF-WX-2044	13,388	13,388	-
			<u>81,578</u>	<u>52,025</u>	<u>-</u>
Bureau of Justice Assistance	16.607	2000-BUBX-002617	3,440	3,440	3,440
Bullet Proof Vest Program	16.607	2001-BUBX-1006973	1,596	1,596	1,596
			<u>5,036</u>	<u>5,036</u>	<u>5,036</u>
Department of Transportation					
Passed through -	20.205	STP-000E(133)	583,000	468,670	435,017
Georgia Dept of Transportation	20.219	STP-000E(134)	344,000	-	130,364
			<u>927,000</u>	<u>468,670</u>	<u>565,381</u>
Department of Agriculture					
USDA NCRS	10.062	68-4310-1-78	49,737	625	49,737
			<u>\$ 2,857,457</u>	<u>\$ 1,721,905</u>	<u>\$ 1,814,051</u>

WALTON COUNTY, GEORGIA
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2002

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Walton County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

WALTON COUNTY, GEORGIA
Summary Schedule of Prior Year Findings and Corrective Action Plan
June 30, 2002

There were no single audit findings in the prior year.

WALTON COUNTY, GEORGIA
Schedule of Findings and Questioned Costs
June 30, 2002

Section II—Financial Statement Findings

01-3 *All purchasing should be coordinated through the Purchasing agent.*

All purchases of items that meet the requirement for coordinating through the Purchasing Department, should use that avenue regardless of department or funding sources. This is required, even if a department has other funding sources (grants, etc.), that department should still use the Purchasing agent and then reimburse the General fund for the purchases. This will aid in implementation of any contracts or special pricing available to the County that the purchasing department would provide through their review process.

01-4 *Timely recording of fixed assets.*

All fixed asset records should be timely recorded/updated. With the implementation of GASB 34, the timeliness and completeness of fixed asset recording becomes very important. We recommend that procedures be established to coordinate between purchasing, payables and fixed asset responsibility for keeping the records timely updated.

01-5 *Establish procedures to assure proper recording of Due to/from and Transfers among various funds.*

Every time an entry is made to record a Due to/from another fund or a Transfer to/from another fund, that same entry needs to be coordinated and recorded in the associated fund. This may involve an extra step, but one that is required to accurately balance all funds. We recommend procedures that assure that all the entries are being recorded, whether that be a special form to be completed or a month end balancing step that gets signed off every month by an appropriate party.

Section III—Federal Award Findings and Questioned Costs

None noted.

WALTON COUNTY, GEORGIA
Schedule of Projects Constructed
With Special 2001 Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2002

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Judicial - Administration building	\$ 17,785,000	\$ -	\$ 194,519	1.09%
Jail Addition	\$ 9,938,000	\$ -	\$ 231,067	2.33%
Recreation facilities	\$ 7,660,000	\$ -	\$ 23,200	0.30%
Road Projects	\$ 8,317,000	\$ -	\$ 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, 2002 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
Award amount	02-CL-919	\$373,000

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, 2002 is fairly stated, in all material respects.

April 19, 2003

Treadwell, Tamplin & Co., CPA's

STATE OF GEORGIA GRANT CERTIFICATION FORM

A	Local Government	Walton County, GA
B	Information For Year Ended	6/30/02
C	State Awarding Agency	Georgia Department of Community Affairs
D	Grant Identification Number	02-C-L-455 02-C-L-919
E	Grant Title	Local Assistance Grant
F	Grant Award Date	07/01/01 07/01/01
G	Grant Amount	\$20,000 \$373,000
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	\$-0- \$ -0-
I	Grant Receipts or Revenue Recognized	\$20,000 \$373,000
J	Grant Disbursements or Expenditures	\$-0- \$21,496
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J)	\$20,000 \$351,504

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 *Kenn W. Rutledge* Date 07-01-03

Signature of Chief Financial Officer *Heather M. Powell* Date 6/30/2002

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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, 2002, and have issued our report thereon dated January 31, 2002. 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.

April 19, 2003

Treadwell, Tamplin & Co., CPA's

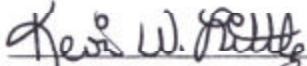

WALTON COUNTY, GEORGIA
Schedule of State Contractual Assistance
For the Fiscal Year Ended June 30, 2002

<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	93-25073	\$ 50,000	\$ 64,355	\$ -
Family Connection	93-11158	50,000	50,000	
Safe & Stable Families		20,500	20,500	

Georgia Greenspace Annual Certification Form

	Current Year (FY 2002)	Previous Year/s <u>Fy 2001</u>
Local Government: Walton County, Georgia	Greenspace Goal Under Current Plan Total Acres: 42,240	Greenspace Goal Under Previous Plan Total Acres: 42,240
Permanently Protected Greenspace acres, acquired through Trust Funds, and through other means.	Trust Funds: (total acres from this reporting year) - Other Means: -	Trust Funds: (total acres from this reporting year) - Other Means: -
Greenspace Grant Award Date, amount, interest earned, total expenditures, and Balance.	Date of Award: 05/24/2002 Amount of Award: \$ 219,875 Interest: 5,555 Minus expenditures: - Total Balance: \$ 469,694	Date of Award: 06/13/2001 Amount of Award: \$ 244,264 Interest: - Minus expenditures: - Total Balance: \$ 244,264
Greenspace Funds Expended Date parcel name acreage amount legal interest greenspace purpose served.	1. Date: None as yet Parcel: Acres: Amount: Interest: Purpose: 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		Date <u>08-30-03</u>
Signature of Chief Financial Officer		Date <u>06/30/2003</u>