

WALTON COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2010

INTRODUCTORY SECTION

WALTON COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Walton County, Georgia
Monroe, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Walton County, Georgia** (the "County"), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Walton County Health Department, which represents 20 percent, 18 percent, and 81 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic 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 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 the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Walton County, Georgia as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2010, on our consideration of Walton County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 15) and the budgetary comparison information and schedules of funding progress (on pages 60 through 62) are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walton County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds have 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 9, 2010

WALTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Walton County's financial performance provides an overview and analysis of the County's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the County's financial statements, which begin on page 16 and the Notes to the Financial Statements, which begin on page 27.

FINANCIAL HIGHLIGHTS

- The County's net assets totaled \$186.2 million for its governmental and business-type activities, an *increase* of \$4.7 million from the previous fiscal year primarily due to an increase in long-term intergovernmental receivables resulting from the Hard Labor Creek Reservoir project and reductions in year-end accounts and bonds payable.
- Walton County closed FY 2010 with a governmental fund balance of approximately \$46.7 million. This reflects a fund balance of \$14.4 million for Special Local Option Sales Tax (SPLOST) Funds, \$5.3 million for Debt Service Funds and \$4 million for other non-major governmental funds. The fund balance of \$23 million for the general fund is an increase of \$1.6 million over FY 2009.
- Total combined revenues for governmental and business-type activities were \$70.7 million, an increase of approximately \$3.4 million from the prior fiscal year due primarily to an increase in revenue from water sales, recycling sales, and slight increase in LOST and SPLOST collections.
- Overall expenses were \$66 million, of which governmental activities were \$54 million and business-type activities were \$12 million. Total expenses decreased \$3.2 million from the previous fiscal year resulting primarily from a decrease in general government, public works, and water department costs.
- As of June 30, 2010, governmental activities' program expenses exceeded program revenues by \$44.4 million.
- In the County's business-type activities, operating revenues were \$10.1 million and operating expenses were \$10.5 million, for an operating loss of approximately \$374,000 in FY 2010. This compares with operating losses of \$1.4 million for the prior fiscal year primarily as a result of continued cost cutting measures implemented by the County.
- The General Fund resources available for appropriation were \$ 487,000 less than originally budgeted, and expenditures were \$2.6 million less than budgeted.
- The unreserved fund balance of \$22.8 million in the General Fund was an *increase* of \$ 1.5 million from the prior fiscal year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Government-Wide financial statements, the *Statement of Net Assets* and the *Statement of Activities* (on pages 16 and 17) 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 18. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Reporting:

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

Our analysis of the County as a whole begins on page 6. 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 accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

- *Governmental activities*—Most of the County's basic services are reported here, including the public safety, public works, judicial, planning, development, and parks departments, as well as general administration. Property taxes, fees, fines, and state and federal grants finance most of these activities.
- *Business-type activities*—The County charges a fee to customers to help it cover the cost of certain services it provides. The County's Emergency Medical Services, Water & Sewerage, Solid Waste and Recycling Operations are reported here.
- *Component units*—The County includes four separate legal entities in its report—the Walton County Development Authority, the Walton County Commission on Children & Youth, the Walton County Health Department, and the Walton County Water and Sewerage Authority. 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. The Walton County Water and Sewerage Authority is a blended component unit reported as part of the County's Water & Sewer Fund. Financial information for the County's other three component units are found beginning on page 25.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reporting the County's Most Significant Funds

Fund Financial Statements

Our analysis of the County's major funds begins on page 10. The fund financial statements begin on page 18 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 funds—*governmental, proprietary and fiduciary*—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 18 and 20, respectively.
- *Proprietary funds*—When the County charges customers for the services it provides—whether to outside customers or to other units of the County—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Assets* and the *Statement of Activities*. In fact, the County's enterprise funds (a type of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The County's Employee Benefits and Worker's Compensation Funds, used to pay for health care and worker's compensation claims, are included in the proprietary fund group as internal service funds. The proprietary fund statements begin on page 21.
- *Fiduciary funds*—these funds are used to account for assets held for others. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities on page 24. These agency funds' balances are due to 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE COUNTY AS A WHOLE

NET ASSETS:

Net assets may, over time, serve as an indicator of a government's financial condition. Walton County's assets exceeded liabilities by \$186.2 million at June 30, 2010.

	Net Assets (\$ in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government Activities	
	2010	2009	2010	2009	2010	2009
Assets						
Current and other assets	\$ 32,213	\$ 32,060	\$ 31,835	\$ 32,137	\$ 64,048	\$ 64,197
Restricted assets	21,362	34,764	40,365	43,877	61,727	78,641
Capital assets	111,307	111,724	90,477	80,987	201,784	192,711
Total assets	<u>164,882</u>	<u>178,548</u>	<u>162,677</u>	<u>157,001</u>	<u>327,559</u>	<u>335,549</u>
Liabilities						
Long-term liabilities	44,789	54,392	89,882	91,371	134,671	145,763
Other liabilities	3,238	4,778	3,467	3,491	6,705	8,269
Total liabilities	<u>48,027</u>	<u>59,170</u>	<u>93,349</u>	<u>94,862</u>	<u>141,376</u>	<u>154,032</u>
Net assets						
Invested in capital assets, net of related debt	85,914	89,664	33,376	24,916	119,290	114,580
Restricted	5,343	5,348	7,599	7,751	12,942	13,099
Unrestricted	25,598	24,366	28,353	29,472	53,951	53,838
Total net assets	<u>\$ 116,855</u>	<u>\$ 119,378</u>	<u>\$ 69,328</u>	<u>\$ 62,139</u>	<u>\$ 186,183</u>	<u>\$ 181,517</u>

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—increased, by \$113 thousand this year, as compared to the end of the prior year. The increase in unrestricted net assets is partially due to the increase in revenues which resulted from the increase in water usage subsequent to the release of water restrictions.

The largest portion of the County's net assets, \$119.2 million, reflects investments in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks) less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens and given their nature they cannot be liquidated to repay associated debt; therefore, these assets were not available for future spending.

Included in the County's restricted assets of \$21.4 million for governmental activities is \$5.3 million of Special Purpose Local Option Sales Tax revenue to be used for debt service payments on the Counties SPLOST Bond, \$16.1 million in proceeds from the Counties SPLOST Bond, issued February 6, 2007 for park and recreation projects, the County administration and judicial facility, various road projects, public safety projects including state patrol office, drivers license office, fire station, upgrade of E-911 towers and radios, senior center, animal shelter, and various water and sewer projects. Over the life of the SPLOST, the County has carefully monitored and conservatively projected revenues when budgeting expenditures to ensure that monthly SPLOST revenues satisfy the SPLOST debt service.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County reported positive balances in all categories of net assets for FY 2010, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

CHANGES IN NET ASSETS:

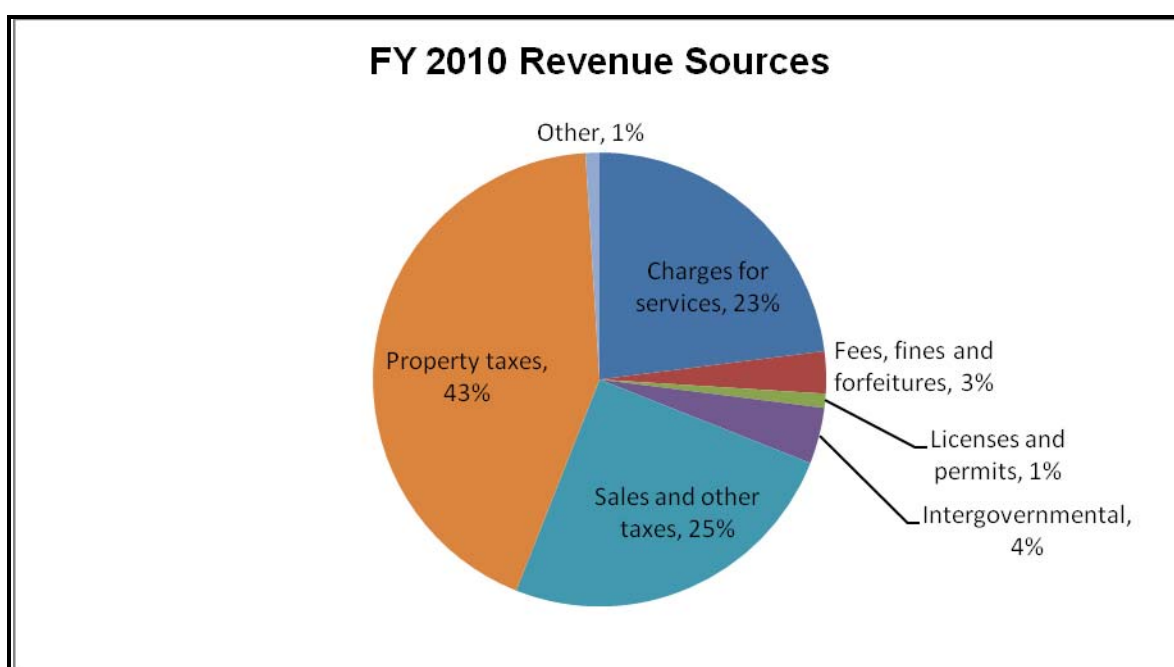
The County's total change in net assets from the prior fiscal year was an increase of \$4.7 million. This increase is a result of a combination of cost cutting measures implemented by County Departments during FY 2010, an infusion of grant funds for capital projects (primarily public works projects), and an increase in other revenues including prior year property taxes.

Changes in Net Assets (\$ in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 7,968	\$ 7,929	\$ 10,110	\$ 9,301	\$ 18,078	\$ 17,230
Operating grants and contributions	698	774	-	-	698	774
Capital grants and contributions	1,060	18	899	-	1,959	18
General revenues:						
Property taxes	30,445	28,063	-	-	30,445	28,063
Other taxes	17,855	17,742	-	-	17,855	17,742
Investment earnings	97	1,076	203	872	300	1,948
Intergovernmental	-	1,540	-	-	-	1,540
Other revenues	339	-	1,044	-	1,383	-
Total revenues	<u>58,462</u>	<u>57,142</u>	<u>12,256</u>	<u>10,173</u>	<u>70,718</u>	<u>67,315</u>
Expenses						
General government	7,199	8,474	-	-	7,199	8,474
Judicial	4,904	4,937	-	-	4,904	4,937
Public safety	21,439	20,739	-	-	21,439	20,739
Public works	12,065	13,627	-	-	12,065	13,627
Health and welfare	1,232	1,250	-	-	1,232	1,250
Culture and recreation	3,942	3,855	-	-	3,942	3,855
Housing and development	1,454	1,508	-	-	1,454	1,508
Interest on long-term debt	1,922	1,989	-	-	1,922	1,989
EMS	-	-	2,777	2,719	2,777	2,719
Water and sewer	-	-	7,973	8,990	7,973	8,990
Solid waste	-	-	1,145	1,103	1,145	1,103
Total expenses	<u>54,157</u>	<u>56,379</u>	<u>11,895</u>	<u>12,812</u>	<u>66,052</u>	<u>69,191</u>
Income before transfers	4,305	763	361	(2,639)	4,666	(1,876)
Transfers	<u>(6,828)</u>	<u>(3,730)</u>	<u>6,828</u>	<u>3,730</u>	<u>-</u>	<u>-</u>
Change in net assets	(2,523)	(2,967)	7,189	1,091	4,666	(1,876)
Net assets beginning of year	119,378	122,345	62,139	61,048	181,517	183,393
Net assets end of year	<u>\$ 116,855</u>	<u>\$ 119,378</u>	<u>\$ 69,328</u>	<u>\$ 62,139</u>	<u>\$ 186,183</u>	<u>\$ 181,517</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

As can be seen from the chart below, approximately 68% of the County's combined total revenue was provided by taxes. Property taxes accounted for 43% and 25% by sales and other taxes. Property Taxes as a percent of the County's total revenue were down 6%. Sales and Other Taxes as a percentage of the County's total revenue were also down 6% as a result of the continued economic slowdown experienced during this fiscal year. The County charges fees for services for a variety of services including housing stray animals, disposal of non-recyclables, providing certified copies of documents, issuing building permits, and impact fees, and the proprietary services. Additionally, the Courts (Superior, Probate, Magistrate & Juvenile) impose fines for violations of laws and ordinances which decreased by 1% from last year.

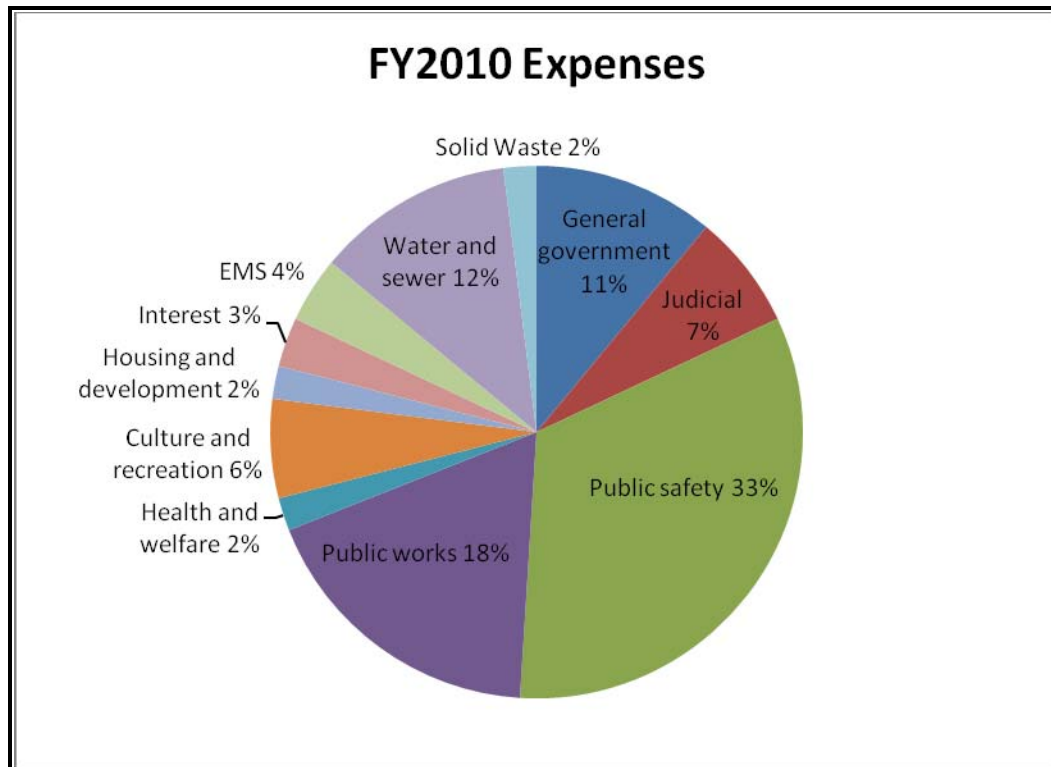


The County's major expense, ensuring public safety, decreased 4%, to 33% of the combined total expenses. Public Safety includes law enforcement, jail operations, fire protection, E-911, coroner, animal control, and emergency management.

Expenses for the Culture and Recreation program, which began August 2002, required only 6% of total combined expenses; this represents a 1% decrease over last year. The very successful countywide park and recreation program involves several thousand youth in softball, basketball, cheerleading, football, and soccer activities funded primarily by SPLOST and Impact Fee revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County continually assesses the condition of its infrastructure and engages in systematic preventive maintenance as well as improvements on the 744 miles of county-maintained roads. The County was able to resurface 52 miles of roads in FY 2010, which is 24.4 more than the miles of roads resurfaced in the prior fiscal year and completed work on five major intersection projects; Hwy 278 @ Hightower Trail, Hwy 81 @ Bay Creek Rd, Hwy 278 @ Willow Springs, Garrett Rd @ New Hope Drive and Gratis Rd @ Dry Pond Rd. reconstruction. The County was able to secure LARP and stimulus funds to pay for 26.4 miles of road work. Resurfacing costs were expensed in the Public Works Program, which decreased as percentage from 24% of total program expenses in FY 2009 to 18% in FY 2010 primarily due to an overall reduction in Public Works expenses.



The General Fund subsidized EMS \$1,501,760 up 25% from FY 2009 and Solid Waste \$502,960, which is down 18% from FY 2009. Significant activity and variances for the business-type activities is discussed on page 13 under the proprietary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE COUNTY'S FUNDS

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

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

The County ended the 2010 fiscal year with a combined fund balance of \$46.7 million for governmental funds including \$16.5 million reserved for SPLOST projects and \$5.5 million reserved in the General, Special Revenue, and Debt Service Funds. The remaining fund balance remained unreserved.

Major Funds:

General Fund

The General Fund is the operating fund of the County. At the end of fiscal year 2010, the unreserved fund balance was \$23 million. As a measure of liquidity, it may be useful to compare the unreserved fund balance to the sum of total expenditures for the General Fund and total other financing uses. The unreserved General Fund balance represents 51% of that total, up 2% from the previous year.

The fund balance in the general fund increased \$1.6 million during FY 2010. Tax revenues from sales tax and 2009 tax digest assessments provided the bulk of General Fund revenue. The tax revenue increased 37.8%, while total revenues increased by 3%. Expenditures increased by \$617,486 due primarily to the rising cost of health care and workers compensation costs. Walton County was able to meet public safety needs, expansion of parks and recreation facilities and services, along with repair and maintenance of the Counties roads and bridges. The County was able to take the rollback millage rate for 2009 property taxes received in FY 2010. In an effort to be good stewards of taxpayers' funds, County offices continued to make concerted efforts to improve efficiencies in providing necessary services. Additional information about the General Fund can be found in the Budgetary Comparison Schedule.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Special Local Option Sales Tax (SPLOST) Capital Projects Fund

The SPLOST 2007 Fund was established for the proceeds of the special five-year one-cent sales tax and projects approved by the voters on September 19, 2006 for up to \$100 million to commence July 1, 2007. The voters approved a \$58.915 million general obligation sales tax bond in conjunction with the SPLOST projects. The SPLOST proceeds are allocated in the following manner:

County – 911 Towers & radios, water & sewer improvements, road, bridge, & culvert improvements, parks & recreation improvement including gymnasiums, public safety upgrades and senior citizen centers upgrades.

City of Monroe – transportation, drainage & sidewalks, public safety improvements, solid waste improvements, water & sewer improvements, airport improvements, electric, CATV, and fiber improvements.

City of Loganville – transportation, drainage & sidewalk improvements, water & sewer upgrades.

City of Social Circle – transportation, drainage & sidewalk improvements, public safety improvements, cemetery & park improvements

City of Walnut Grove – transportation, drainage & sidewalk improvements, public safety improvements, library project.

City of Good Hope – transportation, drainage & sidewalk improvements, administrative facility improvements.

City of Jersey – transportation, drainage & sidewalk improvements, water & sewer improvements.

City of Between – administrative facilities.

Bonded monies are restricted to all County projects and transportation, drainage and sidewalk improvements for cities. Excess SPLOST funds may then be used for additional projects listed in the Cities.

Additional information on the SPLOST Capital Projects Fund can be found in the Schedule of Projects Constructed with SPLOST Funds.

In FY 2010 several capital projects were funded with SPLOST funds. The County began construction of the Animal Control Facility, Fire Station and Drivers License Building at Between, and extended water service lines in FY 2010 along with substantial progress with other SPLOST projects both for the County and participating cities. Fund balance in the SPLOST fund decreased approximately 46.7% from FY 2009 due to the use of SPLOST funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of principal and interest from government resources when the County is obligated for the payment. During FY 2010, the Fund Balance decreased \$1.7 million to \$5.2 million due to debt service payments exceeding the SPLOST revenues received.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Non-Major Governmental Funds:

Liabilities in the non-major governmental funds were \$1 million, and the unreserved fund balance was approximately \$1.3 million for the year ended June 30, 2010 relatively unchanged from FY 2009. The non-major governmental fund totals are a combination of the following special revenue funds and capital projects funds:

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:

- Law Library Fund
- Forfeited Drug Seizure Fund
- Inmate Phone Fund
- E911 Fund
- Clerk's Authority Fund
- Juvenile Supplemental Services Fund
- Multiple Grant Fund
- System of Care Grant Fund
- Drug Abuse Treatment & Education Fund
- DARE Program Fund
- Crime Victim's Assistance Fund
- Seized Drug Fund
- Inmate Commissary Fund
- DA Forfeiture Fund
- Forfeited Federal Drug Fund

Capital Projects Funds

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

- Capital Projects Grant Fund
- 2001 SPLOST Fund
- Impact Fees Fund

The County's construction project not accounted for in the Special Local Option Sale Tax fund was to begin construction and complete construction of a rail spur and intersection changes for the General Mills Distribution Warehouse project in Social Circle in FY 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Board of Commissioners adopted the Development Impact Fee Ordinance of Walton County, Georgia to “ensure that adequate public facilities are available to serve new growth and development in Walton County and to provide that new growth and development bears a proportionate share of the cost of the new public facilities needed to serve them. The Ordinance is intended to implement and be consistent with the Walton County Comprehensive Plan, as it may be adopted or amended in accord with the Georgia Comprehensive Planning Act (O.C.G.A. 50-8-1 *et seq.*); and the *Minimum Standards and Procedures for Local Comprehensive Planning* and the *Development Impact Fee Compliance Requirements*, both as adopted by the Georgia Board of Community Affairs and amended from time to time.” In 2010, County impact fees generated \$40,105 in revenue, down over 56% from FY 2009 due to the continued decline in development and new construction. Of the funds accumulated earnings, \$15,500 was made available for fire to begin a Jail expansion project.

Proprietary Funds

The County reports three business-type activities as proprietary funds: Solid Waste and Recycling Operations, Emergency Medical Services, and Water Operations. The County began providing Emergency Medical Services on July 1, 2001 and began water operations in 2007 with the acquisition of the Water Authority.

The County's two internal service funds for employee health care and worker's compensation claims had combined assets of \$1.9 million and liabilities of \$1.5 million.

The EMS Fund operating revenues were up \$412,238, approximately 27% due to a rise in uncollectible accounts while operating expenses in the EMS fund increased by \$63,512 from FY 2009, 2.3%, due primarily to a increase in personnel overtime costs and purchased service costs. The Water and Sewer Fund had a \$1 million increase in operating revenues, 14.3% due to the lifting of watering restrictions during FY 2010. Operating expenses in the Water & Sewer Fund decreased by \$334,000 from FY 2009, approximately 4.8%, due primarily to a decrease in operating costs associated with slowing construction associated with service line extension. Solid Waste Fund experienced a \$170,991 increase in operating revenue from FY 2009, approximately 38%, due primarily to increase in scarp prices and other revenues. Solid Waste Fund experienced a \$43,021 increase in expenses, approximately 4%, due primarily to increases in personnel and disposal costs.

More detailed information about the County's proprietary funds can be found beginning on page 21.

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.

Few significant budget amendments were made in FY 2010. Most budget amendments were related to public safety and public works and funds were transferred from other parts of their operating budgets to cover the increase in expenditures.

As previously stated, by the end of fiscal year 2010, revenues, including reimbursements, exceeded expenditures resulting in close a \$1.6 million increase in fund balance for the General Fund. The Board of Commissioners exerts considerable control over expenditures during the course of the fiscal year and continually seeks more efficient and cost effective means for providing services to the citizens of Walton County.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2010 amounted to \$201 million, net of accumulated depreciation. This investment in capital assets includes land, site improvements, construction-in-progress, buildings and building improvements, equipment, and infrastructure. Total capital assets, net of additions, retirements and depreciation, remained the same for governmental activities and increased approximately \$11 million for business-type activities due to SPLOST capital projects and the water department's system expansion. Depreciation expense for the governmental activities for the period was \$4.9 million and \$4.5 million was expended for capital outlay. Additional information on Capital Assets can be found in Note 6 of the *Notes to the Financial Statements*.

Major capital asset activities in 2010 were:

- \$3.7 million for road resurfacing and road construction projects
- \$485,420 for two fire trucks
- \$16,200 for 3 Frisbee golf courses in the County Parks
- \$ 7,516 for Polaris Ranger for EMA
- \$4,250 for ballot counters in Elections
- \$282,953 for sheriff vehicles, including 12 patrol cars and 1 jail vehicle

Long-term Debt

As of June 30, 2010, Walton County had \$37.4 million in outstanding debt principal, of which \$11.2 million was due within one year. The remaining governmental long-term debt is comprised of waterline and reservoir agreements with Newton County, capital leases on equipment, and Four County Industrial Development bond issue.

Water and Sewer Fund outstanding debt decreased slightly in FY 2010. Outstanding bonded debt decreased by \$605,000, and there was a \$838,787 reduction in outstanding notes payable. The Water Sewer Debt is comprised of four bond issues including \$60.52 million for the Hard Labor Creek Reservoir project. Notes payable consist of a GEFA note for the service line expansion, two notes for joint project for Cornish Creek Reservoir with Newton County, and a note to Citi Corp for converting water meters to radio read meters.

Additional information about the County's long-term debt can be found in Note 8 of the *Notes to the Financial Statements*.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board of Commissioners sets rigorous standards for sound financial management of the County, regularly considering the needs of the community in light of the costs to provide for those needs and the various sources of funding available. The Board of Commissioners did not approve a cost of living increase in the FY 2010 budget due to the down turn in the economy.

The Board of 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 financial policies to enhance the ability to maintain a safe and sound financial structure for the County.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's elected and appointed officials considered many factors when setting the fiscal-year 2011 fund budgets and tax rates. One of those factors was the economy. Economic activity in Walton County followed regional and national trends, slowing toward the end of the fiscal year compared to previous years. Retail sales and related taxes decreased slightly during the year. As development occurred, the tax digest increased, and the County was able to maintain satisfactory levels of service to its citizens and hold the millage rate 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. Local Governments, the Industrial Development Authority, and the Chamber of Commerce work together to develop and expand business and industry in Walton County. Also, the Joint Development Authority, a four-county regional technology park – Stanton Springs, provides a venue for future growth of business and industry in the area.

Future growth will undoubtedly bring increased demands on existing infrastructure, water supply, wastewater treatment, and solid waste disposal. The County pursued the reorganization of the Walton County Water and Sewage Authority, approved by the State of Georgia Legislature on April 15, 2005, in order to plan and secure the future water service and supply requirements for the Citizens of Walton County. The County staff is working with engineers to determine the best capital improvement plan and financial projections for land acquisition, water distribution and transmission, and wastewater collection and treatment. The Hard Labor Creek reservoir project, a joint venture between Walton County, Oconee County and the Walton County Water Authority moved forward with two revenue bond issues for Phase I of the project.

The Board of Commissioners is dedicated to planning and preparing for growth. The Comprehensive Land Use plan revision of 2004 is one of the tools utilized by the Board to ensure that the needs and concerns of the citizens of Walton County are met. The Board updates the Comprehensive Land Use Plan annually.

The Board of Commissioners was able to partner with the Development Authority, Social Circle and the State of Georgia to bring a General Mills Regional Distribution Center to Walton County. The General Mills project was complete and operations began in FY 2010. A few small businesses opened in Walton County despite the slowdown in the economy. Walton County continued construction of the new Animal Control building and completed the State Patrol Post which opened in FY 2010. Construction began for a new fire station and driver's license center in Between in FY 2010. The Water Department expanded the County's capacity to draw water from the Cornish Creek Reservoir in FY 2010. This expansion will help reduce the cost of wholesale cost of water to the County.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

WALTON COUNTY, GEORGIA

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 26,055,676	\$ 6,300,506	\$ 32,356,182	\$ 1,234,272
Investments	493,331	2,204,023	2,697,354	-
Accounts receivable, net of allowances	2,236,947	2,301,844	4,538,791	131,703
Interest receivable	-	7,227	7,227	-
Due from other governments	1,927,666	376,712	2,304,378	-
Due from primary government	-	-	-	12,321
Internal balances	517,617	(517,617)	-	-
Inventories	207,531	163,584	371,115	-
Prepays	141,313	477	141,790	55
Restricted cash and cash equivalents	21,362,170	40,364,897	61,727,067	-
Deferred charges, unamortized balance	195,717	1,462,338	1,658,055	-
Other assets	436,871	-	436,871	-
Long-term intergovernmental receivable	-	19,535,000	19,535,000	-
Capital assets				
Nondepreciable	24,943,700	41,035,696	65,979,396	3,860,578
Depreciable, net of accumulated depreciation	86,363,633	49,441,231	135,804,864	31,133
Total assets	<u>164,882,172</u>	<u>162,675,918</u>	<u>327,558,090</u>	<u>5,270,062</u>
LIABILITIES				
Accounts payable	2,222,843	996,611	3,219,454	14,414
Accrued liabilities	947,655	1,715,253	2,662,908	2,326
Due to other governments	55,419	-	55,419	-
Due to component unit	12,321	-	12,321	-
Customer deposits payable	-	754,450	754,450	-
Note payable due within one year	-	644,401	644,401	-
Note payable due in more than one year	-	8,959,752	8,959,752	-
Capital leases due within one year	82,661	-	82,661	-
Capital leases due in more than one year	277,751	-	277,751	-
Contracts payable due within one year	193,366	-	193,366	-
Contracts payable due in more than one year	2,649,308	-	2,649,308	-
Bonds payable due within one year	11,250,000	630,000	11,880,000	-
Bonds payable due in more than one year	26,959,826	79,333,405	106,293,231	-
Compensated absences due within one year	1,186,873	184,186	1,371,059	21,330
Compensated absences due in more than one year	236,201	84,344	320,545	62,867
Claims payable due within one year	1,533,206	-	1,533,206	-
Claims payable due in more than one year	348,597	-	348,597	-
Landfill postclosure care costs due within one year	-	5,747	5,747	-
Landfill postclosure care costs due in more than one year	-	40,229	40,229	-
OPEB liability due in more than one year	70,834	-	70,834	-
Total liabilities	<u>48,026,861</u>	<u>93,348,378</u>	<u>141,375,239</u>	<u>100,937</u>
NET ASSETS				
Invested in capital assets, net of related debt	85,913,569	33,376,233	119,289,802	3,891,711
Restricted for:				
Debt service	5,343,022	7,598,747	12,941,769	-
Fee income	-	-	-	542,213
Unrestricted	25,598,720	28,352,560	53,951,280	735,201
Total net assets	<u>\$ 116,855,311</u>	<u>\$ 69,327,540</u>	<u>\$ 186,182,851</u>	<u>\$ 5,169,125</u>

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

WALTON COUNTY, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 7,199,059	\$ 2,537,775	\$ -	\$ -	\$ (4,661,284)	\$ -	\$ (4,661,284)	\$ -
Judicial	4,903,241	1,365,772	212,930	-	(3,324,539)	-	(3,324,539)	-
Public safety	21,439,041	2,021,062	124,554	153,503	(19,139,922)	-	(19,139,922)	-
Public works	12,064,773	1,031,195	28,789	907,062	(10,097,727)	-	(10,097,727)	-
Health and welfare	1,232,135	62,778	312,903	-	(856,454)	-	(856,454)	-
Culture and recreation	3,942,068	872,025	1,708	-	(3,068,335)	-	(3,068,335)	-
Housing and development	1,454,262	77,180	17,106	-	(1,359,976)	-	(1,359,976)	-
Interest on long-term debt	1,922,006	-	-	-	(1,922,006)	-	(1,922,006)	-
Total governmental activities	<u>54,156,585</u>	<u>7,967,787</u>	<u>697,990</u>	<u>1,060,565</u>	<u>(44,430,243)</u>	<u>-</u>	<u>(44,430,243)</u>	<u>-</u>
Business-type activities:								
EMS	2,777,400	1,122,796	-	-	-	(1,654,604)	(1,654,604)	-
Water and Sewer	7,973,465	8,381,688	-	899,193	-	1,307,416	1,307,416	-
Solid Waste	1,144,630	605,956	-	-	-	(538,674)	(538,674)	-
Total business-type activities	<u>11,895,495</u>	<u>10,110,440</u>	<u>-</u>	<u>899,193</u>	<u>-</u>	<u>(885,862)</u>	<u>(885,862)</u>	<u>-</u>
Total primary government	<u>\$ 66,052,079</u>	<u>\$ 18,078,227</u>	<u>\$ 697,990</u>	<u>\$ 1,959,758</u>	<u>(44,430,243)</u>	<u>(885,862)</u>	<u>(45,316,104)</u>	<u>-</u>
Component units	<u>\$ 1,963,234</u>	<u>\$ 549,710</u>	<u>\$ 1,617,039</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,515</u>
		General revenues:						
		Property taxes			30,444,710	-	30,444,710	-
		Sales taxes			15,083,224	-	15,083,224	-
		Insurance premium taxes			1,959,837	-	1,959,837	-
		Other taxes			812,336	-	812,336	-
		Unrestricted investment earnings			97,192	202,867	300,059	12,785
		Gain on sale of capital assets			77,661	-	77,661	-
		Miscellaneous			260,961	1,043,417	1,304,378	-
		Transfers			(6,828,411)	6,828,411	-	-
		Total general revenues			<u>41,907,510</u>	<u>8,074,695</u>	<u>49,982,205</u>	<u>12,785</u>
		Change in net assets			(2,522,732)	7,188,833	4,666,101	216,300
		Net assets, beginning of year, restated			119,378,043	62,138,707	181,516,750	4,952,825
		Net assets, end of year			<u>\$ 116,855,311</u>	<u>\$ 69,327,540</u>	<u>\$ 186,182,851</u>	<u>\$ 5,169,125</u>

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

WALTON COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

ASSETS	General	Capital Projects 2007 SPLOST	Debt Service	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 21,838,718	\$ -	\$ -	\$ 4,106,723	\$ 25,945,441
Restricted cash and cash equivalents	-	16,019,148	5,343,022	-	21,362,170
Investments	-	-	-	51,286	51,286
Accounts receivable, net	1,874,580	-	-	223,516	2,098,096
Due from other governments	695,028	-	1,004,597	228,041	1,927,666
Due from other funds	2,599,406	-	-	410,088	3,009,494
Prepays	32,312	-	11,281	2,969	46,562
Inventory	207,531	-	-	-	207,531
Total assets	<u>\$ 27,247,575</u>	<u>\$ 16,019,148</u>	<u>\$ 6,358,900</u>	<u>\$ 5,022,623</u>	<u>\$ 54,648,246</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,519,312	\$ 422,624	\$ -	\$ 267,982	\$ 2,209,918
Accrued liabilities	-	-	-	31,557	31,557
Due to other funds	963,240	1,111,649	895,661	568,224	3,538,774
Due to other governments	-	55,419	-	-	55,419
Due to component unit	-	-	-	12,321	12,321
Deferred revenues	1,700,397	-	204,324	137,762	2,042,483
Total liabilities	<u>4,182,949</u>	<u>1,589,692</u>	<u>1,099,985</u>	<u>1,017,846</u>	<u>7,890,472</u>
FUND BALANCES					
Fund balances:					
Reserved for:					
Prepays	32,312	-	11,281	2,969	46,562
Inventory	207,531	-	-	-	207,531
Debt service	-	-	5,343,022	-	5,343,022
Capital projects	-	14,429,456	-	2,691,157	17,120,613
Unreserved, reported in:					
General fund	22,824,783	-	-	-	22,824,783
Special revenue funds	-	-	-	1,367,372	1,367,372
Debt service funds	-	-	(95,388)	-	(95,388)
Capital project funds	-	-	-	(56,721)	(56,721)
Total fund balances	<u>23,064,626</u>	<u>14,429,456</u>	<u>5,258,915</u>	<u>4,004,777</u>	<u>46,757,774</u>
Total liabilities and fund balances	<u>\$ 27,247,575</u>	<u>\$ 16,019,148</u>	<u>\$ 6,358,900</u>	<u>\$ 5,022,623</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	111,307,333
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,042,483
Net pension asset is not a financial asset in governmental fund activities and is therefore not reported in governmental funds.	436,871
Net other post employment benefit obligation is not a financial liability in governmental fund activities and is therefore not reported in governmental funds.	(70,834)
Internal service funds are used by management to charge the costs of health benefits and workers compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(61,949)
Certain long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.	(43,556,367)
Net assets of governmental activities	<u>\$ 116,855,311</u>

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

WALTON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General	Capital Projects 2007 SPLOST	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 39,018,922	\$ -	\$ 9,107,399	\$ -	\$ 48,126,321
Licenses and permits	227,959	-	-	-	227,959
Intergovernmental	389,829	-	119,428	1,129,602	1,638,859
Charges for services	4,116,125	-	-	1,635,106	5,751,231
Fines and forfeitures	1,652,780	-	-	249,853	1,902,633
Interest income	64,368	65,725	16,944	20,809	167,846
Contributions	22,378	-	-	81,045	103,423
Other revenues	242,938	-	-	18,023	260,961
Total revenues	<u>45,735,299</u>	<u>65,725</u>	<u>9,243,771</u>	<u>3,134,438</u>	<u>58,179,233</u>
Expenditures					
Current:					
General government	6,589,231	-	-	24,436	6,613,667
Judicial	4,552,439	-	-	349,465	4,901,904
Public safety	18,393,295	38,450	-	2,384,469	20,816,214
Public works	6,018,160	1,676,971	-	-	7,695,131
Health and welfare	838,937	-	-	385,332	1,224,269
Culture and recreation	3,287,364	-	-	-	3,287,364
Housing and development	1,455,938	2,283	-	1,922	1,460,143
Intergovernmental	-	3,234,696	-	-	3,234,696
Capital outlay	-	1,649,186	-	1,288,598	2,937,784
Debt service:					
Principal	-	-	9,944,065	-	9,944,065
Interest and fiscal charges	-	-	2,469,790	-	2,469,790
Total expenditures	<u>41,135,364</u>	<u>6,601,586</u>	<u>12,413,855</u>	<u>4,434,222</u>	<u>64,585,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,599,935</u>	<u>(6,535,861)</u>	<u>(3,170,084)</u>	<u>(1,299,784)</u>	<u>(6,405,794)</u>
Other financing sources (uses):					
Proceeds from capital lease	360,412	-	-	-	360,412
Transfers in	107,082	-	1,464,085	1,379,930	2,951,097
Transfers out	(3,556,862)	(6,092,572)	-	(130,074)	(9,779,508)
Sale of capital assets	87,308	-	-	-	87,308
Total other financing sources (uses)	<u>(3,002,060)</u>	<u>(6,092,572)</u>	<u>1,464,085</u>	<u>1,249,856</u>	<u>(6,380,691)</u>
Net change in fund balances	1,597,875	(12,628,433)	(1,705,999)	(49,928)	(12,786,485)
Fund balance, beginning of year	<u>21,466,751</u>	<u>27,057,889</u>	<u>6,964,914</u>	<u>4,054,705</u>	<u>59,544,259</u>
Fund balance, end of year	<u>\$ 23,064,626</u>	<u>\$ 14,429,456</u>	<u>\$ 5,258,915</u>	<u>\$ 4,004,777</u>	<u>\$ 46,757,774</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 ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

Net change in fund balances - total governmental funds.	\$ (12,786,485)
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 exceeded capital outlays in the current period.	(407,365)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net assets.	(9,647)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	205,369
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	9,944,685
Internal service funds are used by management to charge the costs of health benefits and workers compensation to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.	521,600
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>9,111</u>
Change in net assets of governmental activities	<u>\$ (2,522,732)</u>

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

WALTON COUNTY, GEORGIA

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	EMS	Water and Sewer	Solid Waste	Total	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 123	\$ 6,276,289	\$ 24,094	\$ 6,300,506	\$ 110,235
Restricted cash and cash equivalents	-	40,364,897	-	40,364,897	-
Investments	-	2,204,023	-	2,204,023	442,045
Accounts receivable, net of allowance	392,559	1,887,283	22,002	2,301,844	138,848
Interest receivable	-	7,227	-	7,227	3
Due from other funds	-	-	-	-	1,108,846
Intergovernmental receivable	-	376,712	-	376,712	-
Inventory	-	157,647	5,937	163,584	-
Prepays	-	272	205	477	94,751
Total current assets	<u>392,682</u>	<u>51,274,350</u>	<u>52,238</u>	<u>51,719,270</u>	<u>1,894,728</u>
NONCURRENT ASSETS					
Deferred charges	-	1,462,338	-	1,462,338	-
Intergovernmental receivable	-	19,535,000	-	19,535,000	-
Capital assets:					
Nondepreciable	-	40,683,576	352,120	41,035,696	-
Depreciable, net of accumulated depreciation	162,932	49,057,110	221,189	49,441,231	-
Total noncurrent assets	<u>162,932</u>	<u>110,738,024</u>	<u>573,309</u>	<u>111,474,265</u>	<u>-</u>
Total assets	<u>555,614</u>	<u>162,012,374</u>	<u>625,547</u>	<u>163,193,535</u>	<u>1,894,728</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	24,891	939,174	32,546	996,611	12,925
Accrued expenses	62,858	40,220	21,127	124,205	-
Accrued interest	-	1,591,048	-	1,591,048	-
Customer deposits payable	-	754,450	-	754,450	-
Due to other funds	30,276	508,465	40,825	579,566	-
Claims payable - current portion	-	-	-	-	1,533,206
Notes payable - current portion	-	644,401	-	644,401	-
Bonds payable - current portion	-	630,000	-	630,000	-
Landfill postclosure care costs - current portion	-	-	5,747	5,747	-
Compensated absences - current portion	91,838	59,364	32,984	184,186	-
Total current liabilities	<u>209,863</u>	<u>5,167,122</u>	<u>133,229</u>	<u>5,510,214</u>	<u>1,546,131</u>
NONCURRENT LIABILITIES					
Claims payable - long term portion	-	-	-	-	348,597
Notes payable - long term portion	-	8,959,752	-	8,959,752	-
Bonds payable - long term portion	-	79,333,405	-	79,333,405	-
Landfill postclosure care costs - long term portion	-	-	40,229	40,229	-
Compensated absences - long term portion	45,793	28,197	10,354	84,344	-
Total long term liabilities	<u>45,793</u>	<u>88,321,354</u>	<u>50,583</u>	<u>88,417,730</u>	<u>348,597</u>
Total liabilities	<u>255,656</u>	<u>93,488,476</u>	<u>183,812</u>	<u>93,927,944</u>	<u>1,894,728</u>
NET ASSETS					
Invested in capital assets, net of related debt	162,932	32,639,992	573,309	33,376,233	-
Restricted for debt service	-	7,598,747	-	7,598,747	-
Unrestricted	137,026	28,285,159	(131,574)	28,290,611	-
Total net assets	<u>\$ 299,958</u>	<u>\$ 68,523,898</u>	<u>\$ 441,735</u>	<u>69,265,591</u>	<u>\$ -</u>
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	61,949
				Net assets of business-type activities	<u>\$ 69,327,540</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, 2010**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	EMS	Water and Sewer	Solid Waste	Total	
OPERATING REVENUES					
Charges for services	\$ 1,107,864	\$ 355,715	\$ 605,956	\$ 2,069,535	\$ 8,275,235
Water sales	-	8,002,222	-	8,002,222	-
Other revenue	14,932	23,751	-	38,683	-
Total operating revenues	<u>1,122,796</u>	<u>8,381,688</u>	<u>605,956</u>	<u>10,110,440</u>	<u>8,275,235</u>
OPERATING EXPENSES					
Personnel costs	2,459,290	1,641,485	839,445	4,940,220	-
Purchased services	67,924	525,863	99,751	693,538	-
Supplies	155,179	354,642	-	509,821	-
Water and sewer purchases	-	2,095,443	-	2,095,443	-
Disposal fees	-	-	160,287	160,287	-
Administrative	-	-	-	-	522,860
Claims	-	-	-	-	6,979,096
Fiduciary fees	-	-	-	-	2,266
Insurance	-	-	-	-	203,559
Depreciation and amortization	95,007	1,944,515	45,147	2,084,669	-
Total operating expenses	<u>2,777,400</u>	<u>6,561,948</u>	<u>1,144,630</u>	<u>10,483,978</u>	<u>7,707,781</u>
Operating income (loss)	<u>(1,654,604)</u>	<u>1,819,740</u>	<u>(538,674)</u>	<u>(373,538)</u>	<u>567,454</u>
NONOPERATING REVENUES (EXPENSES)					
Interest expense	-	(1,473,466)	-	(1,473,466)	-
Interest income	140	202,700	27	202,867	16,095
Intergovernmental	-	899,193	-	899,193	-
Miscellaneous	-	1,043,417	-	1,043,417	-
Total nonoperating revenues (expenses)	<u>140</u>	<u>671,844</u>	<u>27</u>	<u>672,011</u>	<u>16,095</u>
Income (loss) before transfers	(1,654,464)	2,491,584	(538,647)	298,473	583,549
Transfers in	1,501,760	4,823,726	502,960	6,828,446	-
Transfers out	-	(35)	-	(35)	-
Change in net assets	(152,704)	7,315,275	(35,687)	7,126,884	583,549
NET ASSETS (DEFICIT), beginning of year, restated	<u>452,662</u>	<u>61,208,623</u>	<u>477,422</u>		<u>(583,549)</u>
NET ASSETS, end of year	<u>\$ 299,958</u>	<u>\$ 68,523,898</u>	<u>\$ 441,735</u>		<u>\$ -</u>
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	61,949
				Change in net assets of business-type activities	<u>\$ 7,188,833</u>

The accompanying notes are an integral part of these financial statements

WALTON COUNTY, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	EMS	Water and Sewer	Solid Waste	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,125,110	\$ 8,505,202	\$ 610,479	\$ 10,240,791	\$ 7,650,175
Payments to suppliers	(181,871)	(3,032,142)	(233,797)	(3,447,810)	(7,439,504)
Payments to employees	(2,445,536)	(1,641,595)	(837,589)	(4,924,720)	-
Net cash provided by (used in) operating activities	(1,502,297)	3,831,465	(460,907)	1,868,261	210,671
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	1,501,760	4,823,726	502,960	6,828,446	-
Transfers out	-	(35)	-	(35)	-
Net cash provided by capital and related financing activities	1,501,760	4,823,691	502,960	6,828,411	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisitions of capital assets	-	(8,629,397)	(17,986)	(8,647,383)	-
Receipts from other governments for capital related activity	-	815,881	-	815,881	-
Principal payments on bonds	-	(605,000)	-	(605,000)	-
Principal payments on notes	-	(838,787)	-	(838,787)	-
Interest paid	-	(4,301,625)	-	(4,301,625)	-
Net cash used in capital and related financing activities	-	(13,558,928)	(17,986)	(13,576,914)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	-	(38,135)	-	(38,135)	(187,872)
Interest received	140	210,302	27	210,469	16,245
Net cash provided by (used in) investing activities	140	172,167	27	172,334	(171,627)
Change in cash and cash equivalents	(397)	(4,731,605)	24,094	(4,707,908)	39,044
Cash and cash equivalents:					
Beginning of year	520	51,372,791	-	51,373,311	71,191
End of year	\$ 123	\$ 46,641,186	\$ 24,094	\$ 46,665,403	\$ 110,235
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (1,654,604)	\$ 1,819,740	\$ (538,674)	\$ (373,538)	\$ 567,454
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	95,007	1,944,515	45,147	2,084,669	-
Change in assets and liabilities:					
Decrease in accounts receivable	2,314	123,514	4,523	130,351	455,846
Increase in due from other funds	-	-	-	-	(1,080,906)
(Increase) decrease in inventory	-	(126,521)	232	(126,289)	-
(Increase) decrease in prepaids	413	447	237	1,097	(6,779)
Increase (decrease) in accounts payable	10,807	(35,811)	(8,452)	(33,456)	(1,431)
Increase in accrued expenses	5,440	440	4,380	10,260	276,487
Decrease in landfill postclosure liability	-	-	(5,747)	(5,747)	-
Increase in customer deposits payable	-	12,958	-	12,958	-
Increase (decrease) in compensated absences	8,314	(550)	(2,524)	5,240	-
Increase in due to other funds	30,012	92,733	39,971	162,716	-
Net cash provided by (used in) operating activities	\$ (1,502,297)	\$ 3,831,465	\$ (460,907)	\$ 1,868,261	\$ 210,671

The accompanying notes are an integral part of these financial statements

WALTON COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,270,809
Taxes receivable	<u>3,418,324</u>
Total assets	<u>\$ 5,689,133</u>
LIABILITIES	
Due to others	\$ 2,270,809
Uncollected taxes	<u>3,418,324</u>
Total liabilities	<u>\$ 5,689,133</u>

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

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2010**

	<u>Development Authority</u>	<u>Health Department</u>	<u>Commission on Children & Youth</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 211,016	\$ 865,925	\$ 157,331	\$ 1,234,272
Accounts receivable	-	131,703	-	131,703
Due from primary government	-	-	12,321	12,321
Prepays	55	-	-	55
Total current assets	<u>211,071</u>	<u>997,628</u>	<u>169,652</u>	<u>1,378,351</u>
NONCURRENT ASSETS				
Capital assets:				
Nondepreciable	3,860,578	-	-	3,860,578
Depreciable, net of accumulated depreciation	599	30,534	-	31,133
Total noncurrent assets	<u>3,861,177</u>	<u>30,534</u>	<u>-</u>	<u>3,891,711</u>
Total assets	<u>4,072,248</u>	<u>1,028,162</u>	<u>169,652</u>	<u>5,270,062</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	-	13,036	1,378	14,414
Accrued expenses	2,326	-	-	2,326
Compensated absences - current portion	-	21,330	-	21,330
Total current liabilities	<u>2,326</u>	<u>34,366</u>	<u>1,378</u>	<u>38,070</u>
NONCURRENT LIABILITIES				
Compensated absences - long term portion	-	62,867	-	62,867
Total long term liabilities	<u>-</u>	<u>62,867</u>	<u>-</u>	<u>62,867</u>
Total liabilities	<u>2,326</u>	<u>97,233</u>	<u>1,378</u>	<u>100,937</u>
NET ASSETS				
Invested in capital assets	3,861,177	30,534	-	3,891,711
Restricted - fee income	-	542,213	-	542,213
Unrestricted	208,745	358,182	168,274	735,201
Total net assets	<u>\$ 4,069,922</u>	<u>\$ 930,929</u>	<u>\$ 168,274</u>	<u>\$ 5,169,125</u>

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

WALTON COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Development Authority	Health Department	Commission on Children & Youth	Total
Development Authority	\$ 226,478	\$ -	\$ 237,033	\$ -	\$ 10,555	\$ -	\$ -	\$ 10,555
Health Department	1,585,547	533,146	1,222,256	-	-	169,855	-	169,855
Commission on Children & Youth	151,209	16,564	157,750	-	-	-	23,105	23,105
Total component units	<u>\$ 1,963,234</u>	<u>\$ 549,710</u>	<u>\$ 1,617,039</u>	<u>\$ -</u>	<u>10,555</u>	<u>169,855</u>	<u>23,105</u>	<u>203,515</u>
General revenues:								
					3,718	9,067	-	12,785
					3,718	9,067	-	12,785
					14,273	178,922	23,105	216,300
					4,055,649	752,007	145,169	4,952,825
					<u>\$ 4,069,922</u>	<u>\$ 930,929</u>	<u>\$ 168,274</u>	<u>\$ 5,169,125</u>

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

WALTON COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Walton County operates under a county commissioner form of government under which a seven member Board of Commissioners is elected to serve as the legislative body for the County. The commission chairman is elected at large, while the remaining six commissioners are elected by geographical districts in which they reside by voters county wide. The County provides the following services: public safety, judicial, public works, health and welfare, culture and recreation, housing and development, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Blended component units, although legally separate entities are, in substance, part of the government's operations. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. A separate combining schedule is provided, detailing each discretely presented component unit.

Blended Component Unit

The Walton County Water and Sewer Authority (the "Water Authority") exists to acquire, construct and finance a water and sewerage system to provide services to individuals, public and private corporations, and municipal corporations. The Water Authority is governed by a seven member board appointed by the Walton County Board of Commissioners. The Water Authority is presented as an enterprise fund as part of the Water and Sewer fund. Separate financial statements are not prepared for the Water Authority.

Discretely Presented Component Units

The Walton County Health Department (the "Health Department") is governed by a seven member board consisting of one member of the Board of Commissioners and two members as appointed by the Board of Commissioners. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. The Health Department is presented as a governmental type component unit.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The Health Department's financial statements can be obtained by writing to the Walton County Health Department, P.O. Box 150, Monroe, GA 30655.

The Walton County Development Authority (the "Development Authority") is governed by a seven member board. Four members are appointed by virtue of their position: Mayors of Social Circle, Monroe and Loganville, and the Head of the Chamber of Commerce. The remaining three members are appointed by the Board of Commissioners. The Authority is responsible for promoting economic development within Walton County. The Development Authority provides a financial benefit to the County. The Authority is reported as a proprietary type component unit and does not issue separate financial statements.

The Walton County Commission on Children & Youth (the "Commission") is governed by twenty members who are appointed by other existing members of the Commission's board. The Commission provides counseling and care services for children and youth in the County and is considered to provide a financial benefit to the County. The Commission is reported as a governmental type component unit and does not issue separate financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Agency funds, however, have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available and susceptible to accrual if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

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

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The **Capital Projects 2007 SPLOST** is used to account for the revenues and expenditures relating to the County's 2007 1% Special Purpose Local Option Sales Tax issue.

The County reports the following major proprietary funds:

The **Emergency Medical Services (EMS) Fund** is used to account for the activities of the County's ambulance service.

The **Water and Sewer Fund** is used to account for the activities of the County's water and sewer system.

The **Solid Waste Fund** is used to account for the activities of the County's landfill, disposal sites and recycling center.

Additionally, the County reports the following fund types:

The **special revenue funds** account for revenue sources that are legally restricted to expenditure for specific purposes, such as grant programs, certain fines and forfeitures, E911 charges, and law enforcement services.

The **capital projects funds** account for the capital expenditures made by the County.

The **internal service funds** account for operations that provide services to other departments of the County on a cost reimbursement basis, such as employee healthcare and worker's compensation.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund are charges to customers for sales and services provided. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Deposits and Investments

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

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in the fair value during the year are recognized as a component of interest income.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$10,000 and an estimated useful life in excess of two years. Intangible assets are defined as having an initial cost of \$100,000 and an estimated useful life in excess of two years, and all remaining intangible assets are defined as having an initial cost in excess of \$10,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings and improvements	20 - 50
Machinery and equipment	5 - 12
Software	5
Vehicles	5
Infrastructure	30
Water rights	50

H. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amount when employees separate from service with the County. All vacation and annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

K. Use of Estimates

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$43,556,367 difference are as follows:

Bonds payable	\$ (38,209,826)
Less: deferred charges	195,717
Contracts payable	(2,842,674)
Capital lease payable	(360,412)
Accrued interest	(916,098)
Compensated absences	<u>(1,423,074)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ (43,556,367)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$407,365 difference are as follows:

Capital outlay	\$ 4,561,721
Depreciation expense	(4,969,086)
	(407,365)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	\$ (407,365)

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” The details of this \$9,944,685 difference are as follows:

Principal repayments on bonds payable	\$ 9,500,000
Principal repayments on contracts payable	191,065
Principal repayments on installment sale	253,000
Issuance of capital lease	(360,412)
Amortization of issue costs	(117,943)
Amortization of premium on bonds payable	478,975
	9,944,685
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	\$ 9,944,685

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$9,111 difference are as follows:

Compensated absences	\$ (147,333)
Net pension asset	5,093
OPEB liability	(35,401)
Accrued interest	<u>186,752</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u><u>\$ 9,111</u></u>

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

1. Prior to June 1, the County Manager submits to the Board of Commissioners a proposed operating budget for each department for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the County.
3. The budget is then adopted by the Board of Commissioners at a public meeting.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be amended by formal action of the Board of Commissioners in a regular meeting.
5. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets are adopted for the General Fund, Debt Service Fund, and special revenue funds. Project length budgets are adopted for the capital projects funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

6. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, Debt Service Fund, and the special revenue funds. An annual operating budget is prepared for the proprietary funds for planning, control, cost allocation and evaluation purposes. All appropriations lapse at year end.

Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. The supplementary budgetary appropriations made are reflected in the final budget amounts.

B. Deficit Fund Equity

The following funds had deficit fund balances at June 30, 2010. The Multiple Grant and Capital Project fund deficits will be reduced through recognition of grant revenues being deferred and future grant revenues, respectively.

Fund	Deficit
Multiple Grant	\$ 137,762
Capital Projects Grant	56,721

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

The local government investment pool, "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 and is regulated by the Georgia Office of Treasury and Fiscal Services. 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 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 per share. The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia. As of June 30, 2010, the County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, the County and its component units are adequately insured or collateralized as defined by GASB pronouncements.

At June 30, 2010, the County had the following investments that are included in the custodial credit risk discussion above related to deposits:

<u>Investment</u>	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value</u>
Certificate of deposit	January 9, 2011	N/A	\$ 784,010
Certificate of deposit	September 2, 2010	N/A	1,420,013
Certificate of deposit	February 25, 2012	N/A	51,286
Local Government Investment Pool	46 days weighted average	AAAm	85,160,528
Money markets	N/A	N/A	431,999
U.S. Treasury	September 30, 2010	N/A	10,046
			<u>\$ 87,857,882</u>

Interest rate risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2010, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>EMS Fund</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>
Receivables:					
Taxes	\$ 1,837,923	\$ -	\$ -	\$ -	\$ -
Accounts	36,657	-	830,525	1,911,255	22,002
Due from other governments	<u>695,028</u>	<u>1,004,597</u>	<u>-</u>	<u>376,712</u>	<u>228,041</u>
Gross receivables	2,569,608	1,004,597	830,525	2,287,967	250,043
Less allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>(437,966)</u>	<u>(23,972)</u>	<u>-</u>
Net receivables	<u>\$ 2,569,608</u>	<u>\$ 1,004,597</u>	<u>\$ 392,559</u>	<u>\$ 2,263,995</u>	<u>\$ 250,043</u>

Property taxes for the 2010 fiscal year were levied on July 20, 2009, with property values assessed as of January 1, 2009. The taxes were billed on October 20, 2009 and are payable on or before December 20, 2009, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes attached as an enforceable lien on property as of January 1.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 18,824,190	\$ -	\$ -	\$ 49,212	\$ 18,873,402
Construction in progress	2,233,148	3,642,459	-	(3,359,586)	2,516,021
Historical artifacts	11,000	-	-	-	11,000
Other assets	<u>3,543,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,543,277</u>
Total capital assets, not being depreciated	<u>24,611,615</u>	<u>3,642,459</u>	<u>-</u>	<u>(3,310,374)</u>	<u>24,943,700</u>
Capital assets, being depreciated:					
Buildings and improvements	57,781,551	-	-	1,882,940	59,664,491
Machinery, equipment and vehicles	29,001,358	919,262	(594,174)	15,615	29,342,061
Infrastructure	<u>65,543,422</u>	<u>-</u>	<u>-</u>	<u>1,411,819</u>	<u>66,955,241</u>
Total capital assets, being depreciated	<u>152,326,331</u>	<u>919,262</u>	<u>(594,174)</u>	<u>3,310,374</u>	<u>155,961,793</u>
Less accumulated depreciation for:					
Buildings and improvements	12,641,345	1,601,884	-	-	14,243,229
Machinery, equipment and vehicles	14,740,115	1,710,735	(584,527)	-	15,866,323
Infrastructure	<u>37,832,141</u>	<u>1,656,467</u>	<u>-</u>	<u>-</u>	<u>39,488,608</u>
Total accumulated depreciation	<u>65,213,601</u>	<u>4,969,086</u>	<u>(584,527)</u>	<u>-</u>	<u>69,598,160</u>
Total capital assets, being depreciated, net	<u>87,112,730</u>	<u>(4,049,824)</u>	<u>(9,647)</u>	<u>3,310,374</u>	<u>86,363,633</u>
Governmental activities capital assets, net	<u>\$ 111,724,345</u>	<u>\$ (407,365)</u>	<u>\$ (9,647)</u>	<u>\$ -</u>	<u>\$ 111,307,333</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 470,170	\$ -	\$ -	\$ -	\$ 470,170
ROW and easements	106,047	-	-	-	106,047
Construction in progress	34,490,319	11,437,373	(11,767)	(5,456,446)	40,459,479
Total capital assets, not being depreciated	<u>35,066,536</u>	<u>11,437,373</u>	<u>(11,767)</u>	<u>(5,456,446)</u>	<u>41,035,696</u>
Capital assets, being depreciated:					
Buildings and improvements	896,465	-	-	-	896,465
Machinery, equipment and vehicles	1,583,904	17,986	-	-	1,601,890
Water system	34,205,361	16,957	-	677,575	34,899,893
Water system - contributed	21,103,968	-	-	-	21,103,968
Wells	47,225	-	-	-	47,225
Cornish Creek - water rights	1,009,858	-	-	4,778,871	5,788,729
System equipment	2,087,679	-	-	-	2,087,679
Total capital assets, being depreciated	<u>60,934,460</u>	<u>34,943</u>	<u>-</u>	<u>5,456,446</u>	<u>66,425,849</u>
Less accumulated depreciation for:					
Buildings and improvements	474,285	34,503	-	-	508,788
Machinery, equipment and vehicles	1,191,594	143,087	-	-	1,334,681
Water system	8,435,232	1,202,581	-	-	9,637,813
Water system - contributed	3,332,507	472,996	-	-	3,805,503
Wells	19,251	1,051	-	-	20,302
Cornish Creek - water rights	-	9,648	-	-	9,648
System equipment	1,561,517	106,366	-	-	1,667,883
Total accumulated depreciation	<u>15,014,386</u>	<u>1,970,232</u>	<u>-</u>	<u>-</u>	<u>16,984,618</u>
Total capital assets, being depreciated, net	<u>45,920,074</u>	<u>(1,935,289)</u>	<u>-</u>	<u>5,456,446</u>	<u>49,441,231</u>
Business-type activities capital assets, net	<u>\$ 80,986,610</u>	<u>\$ 9,502,084</u>	<u>\$ (11,767)</u>	<u>\$ -</u>	<u>\$ 90,476,927</u>

As a result of the implementation of GASB Statement No. 51, *Accounting and Financial Reporting of Intangible Assets*, beginning balances of water rights in the Water and Sewer fund were restated for \$1,009,858.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	\$ 720,638
Judicial	31,929
Public safety	1,640,259
Public works	1,821,930
Health and welfare	7,866
Culture and recreation	734,966
Housing and development	11,498
Total depreciation expense - governmental activities	<u>\$ 4,969,086</u>
Business-type activities:	
EMS	\$ 95,007
Water and sewer	1,830,078
Solid waste	45,147
Total depreciation expense - business-type activities	<u>\$ 1,970,232</u>

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Property held for resale	\$ 2,723,524	\$ 9,085	\$ -	\$ 2,732,609
Construction in progress	1,127,969	-	-	1,127,969
Total	<u>3,851,493</u>	<u>9,085</u>	<u>-</u>	<u>3,860,578</u>
Capital assets, being depreciated:				
Building and improvements	5,502	-	-	5,502
Equipment, furniture and vehicles	36,465	-	-	36,465
Total	<u>41,967</u>	<u>-</u>	<u>-</u>	<u>41,967</u>
Less accumulated depreciation for:				
Building and improvements	4,786	716	-	5,502
Equipment, furniture and vehicles	34,878	988	-	35,866
Total	<u>39,664</u>	<u>1,704</u>	<u>-</u>	<u>41,368</u>
Total capital assets, being depreciated, net	<u>2,303</u>	<u>(1,704)</u>	<u>-</u>	<u>599</u>
Total capital assets, net	<u>\$ 3,853,796</u>	<u>\$ 7,381</u>	<u>\$ -</u>	<u>\$ 3,861,177</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Department of Public Health

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 161,321	\$ -	\$ (11,072)	\$ 150,249
Total capital assets, being depreciated	<u>161,321</u>	<u>-</u>	<u>(11,072)</u>	<u>150,249</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>121,031</u>	<u>9,756</u>	<u>(11,072)</u>	<u>119,715</u>
Total accumulated depreciation	<u>121,031</u>	<u>9,756</u>	<u>(11,072)</u>	<u>119,715</u>
Total capital assets, net	<u>\$ 40,290</u>	<u>\$ (9,756)</u>	<u>\$ -</u>	<u>\$ 30,534</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Capital projects 2007 SPLOST	\$ 713,742
General fund	Debt service	895,661
General fund	Nonmajor governmental funds	547,417
General fund	Water and sewer	442,586
Nonmajor governmental funds	General fund	7,344
Nonmajor governmental funds	Capital projects 2007 SPLOST	397,907
Nonmajor governmental funds	Nonmajor governmental funds	4,837
Internal service funds	General fund	955,896
Internal service funds	Nonmajor governmental funds	15,970
Internal service funds	Water and sewer	65,879
Internal service funds	EMS	30,276
Internal service funds	Solid waste	40,825

NOTES TO FINANCIAL STATEMENTS

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

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

Interfund transfers for the year ended June 30, 2010 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General fund	Water and sewer	\$ 35
General fund	Nonmajor governmental funds	107,047
Debt service	General fund	593,146
Debt service	Capital projects 2007 SPLOST	870,939
Water and sewer	Capital projects 2007 SPLOST	4,823,726
EMS	General fund	1,501,760
Solid waste	General fund	502,960
Nonmajor governmental funds	General fund	958,996
Nonmajor governmental funds	Capital projects 2007 SPLOST	397,907
Nonmajor governmental funds	Nonmajor governmental funds	23,027

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

Due from/to primary government and component units:

<u>Receivable entity</u>	<u>Payable entity</u>	<u>Amount</u>
Commission on Children & Youth	Walton County - Multiple Grant Fund	\$ 12,321

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 46,915,000	\$ -	\$ (9,500,000)	\$ 37,415,000	\$ 11,250,000
Plus: premium	1,273,801	-	(478,975)	794,826	-
Total bonds payable	48,188,801	-	(9,978,975)	38,209,826	11,250,000
Contracts payable	3,033,739	-	(191,065)	2,842,674	193,366
Installment sale	253,000	-	(253,000)	-	-
Capital lease payable	-	360,412	-	360,412	82,661
Claims payable	1,605,316	7,018,975	(6,742,488)	1,881,803	1,533,206
OPEB liability	35,433	35,401	-	70,834	-
Compensated absences	1,275,741	1,211,327	(1,063,994)	1,423,074	1,186,873
Governmental activities long-term liabilities	<u>\$ 54,392,030</u>	<u>\$ 8,626,115</u>	<u>\$ (18,229,522)</u>	<u>\$ 44,788,623</u>	<u>\$ 14,246,106</u>
Business-type Activities:					
Bonds payable	\$ 78,950,000	\$ -	\$ (605,000)	\$ 78,345,000	\$ 630,000
Plus: premium	2,017,193	-	(102,308)	1,914,885	-
Less: discounts	(354,607)	-	58,127	(296,480)	-
Total bonds payable	80,612,586	-	(649,181)	79,963,405	630,000
Notes payable	10,442,940	-	(838,787)	9,604,153	644,401
Landfill postclosure costs	51,723	-	(5,747)	45,976	5,747
Compensated absences	263,290	186,172	(180,932)	268,530	184,186
Business-type activities long-term liabilities	<u>\$ 91,370,539</u>	<u>\$ 186,172</u>	<u>\$ (1,674,647)</u>	<u>\$ 89,882,064</u>	<u>\$ 1,464,334</u>

For governmental funds, compensated absences are liquidated by the General Fund. The OPEB and claims payable liabilities are paid by the internal service funds, which charge the governmental funds based on employee participation. For business-type activities, the compensated absences are liquidated by the fund from which the employees' salaries are paid, and the landfill postclosure costs are paid by the Solid Waste Fund.

General Obligation Bonds. During 2007, the County issued \$58,915,000 Series 2007 General Obligation Sales Tax Bonds to provide funds for certain road, bridge and culvert improvements, parks and recreation improvements, public safety upgrades and improvements, senior citizen center upgrades, water and sewer improvements, and solid waste improvements. The bonds carry a rate of interest ranging from 4.0% - 5.0% and mature January 1, 2013. The bonds are being repaid from the proceeds of the 1% special purpose local option sales tax which began in January 2007.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County's debt service requirements to maturity on the general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2011	\$ 11,250,000	\$ 1,825,750	\$ 13,075,750
2012	12,250,000	1,278,250	13,528,250
2013	13,915,000	680,750	14,595,750
Total	<u>\$ 37,415,000</u>	<u>\$ 3,784,750</u>	<u>\$ 41,199,750</u>

Contracts Payable. During 1998, the County agreed to share the costs of upgrading the capacity of the reservoir with neighboring governments. The agreement provides for monthly principal and interest payments through 2020 at an interest rate of 6.0%.

During 2005, the County agreed to share costs of necessary water line installations with neighboring governments. The agreement provides for annual principal and interest payments through 2020 at an interest rate of 6.0%.

The County is contractually obligated to the purchase of the Four County Industrial Site. The County's share in the property and underlying debt is 37.5% amounting to \$3,375,000. Annual principal and interest payments will be made through 2021 at a variable interest rate.

In June 2001, the Joint Development Authority of Jasper County, Morgan County, Newton County and Walton County issued a note in the amount of \$487,760 with the Georgia Environmental Facilities Authority (GEFA) to finance the extension of water and wastewater service. Walton County is obligated to pay 34.5% of the debt service on the note, which provides for quarterly payments through July 1, 2022 at an interest rate of 4.65%

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County's debt service requirements to maturity on the contracts payable using an interest rate of 5.20% for the variable rate contract are as follows:

Year ending June 30,	Principal	Interest	Total
2011	\$ 193,366	\$ 83,916	\$ 277,282
2012	195,797	77,735	273,532
2013	235,865	70,479	306,344
2014	238,578	63,078	301,656
2015	241,445	55,524	296,969
2016 - 2020	1,441,885	147,714	1,589,599
2021 - 2023	295,738	1,962	297,700
Total	<u>\$ 2,842,674</u>	<u>\$ 500,408</u>	<u>\$ 3,343,082</u>

Capital Lease Payable. In August 2009, the County entered into a lease-purchase agreement in the amount of \$360,412 to finance the acquisition of a fire truck. Annual principal and interest payments are required until maturity on November 15, 2014 at an interest rate of 3.19%.

The original cost of the County's assets under capital lease arrangements at June 30, 2010 is \$360,412 and there has been no depreciation as of year end.

Future minimum lease payments as of June 30, 2010 are as follows:

Year ending June 30,	Total Payment
2011	\$ 93,239
2012	90,733
2013	86,109
2014	81,408
2015	76,745
Total minimum lease payments	<u>428,234</u>
Less: interest payments	<u>(67,822)</u>
Present value minimum lease payments	<u>\$ 360,412</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds. The Walton County Water and Sewerage Authority has issued various revenue bonds to finance the acquisition of and improvements to the water and sewer system and facilities. The outstanding issues are as follows:

Issuance	Interest Rate	Term	Due Date	Original Amount	Amount Outstanding
Series 1989	7.5 - 8.25%	25 years	2015	\$ 2,785,000	\$ 25,000
Series 1996	4.4 - 6.0%	25 years	2021	8,070,000	5,050,000
Series 2002	2.0 - 4.5%	25 years	2028	14,550,000	12,745,000
Series 2008	4.0 - 4.5%	30 years	2038	40,990,000	40,990,000
Series 2008	3.5 - 5.0%	30 years	2038	19,535,000	19,535,000
				<u>\$ 85,930,000</u>	<u>\$ 78,345,000</u>

The Series 2008 bonds listed above were issued for the Hard Labor Creek Reservoir project, for which the County has executed an intergovernmental agreement with Oconee County. Under the terms of the agreement, Walton County will have a 71.2% share of the project leaving 28.8% to Oconee County. The project is to be completed in three phases with a total estimated cost of \$353 million to be split between the counties based on ownership percentages. The agreement with Oconee County runs through May 2057. An intergovernmental receivable has been recorded in the Water and Sewer Fund for the amount Oconee County is obligated to pay. As of June 30, 2010, the balance of the intergovernmental receivable totaled \$19,911,712, including accrued interest.

The County's debt service requirements to maturity on the revenue bonds payable are as follows:

Year ending June 30,	Principal	Interest	Total
2011	\$ 630,000	\$ 3,770,658	\$ 4,400,658
2012	660,000	3,741,999	4,401,999
2013	695,000	3,710,948	4,405,948
2014	725,000	3,677,914	4,402,914
2015	2,210,000	3,642,600	5,852,600
2016 - 2020	12,545,000	16,722,887	29,267,887
2021 - 2025	15,780,000	13,507,541	29,287,541
2026 - 2030	16,905,000	9,404,150	26,309,150
2031 - 2035	16,315,000	5,497,250	21,812,250
2036 - 2038	11,880,000	1,207,000	13,087,000
Total	<u>\$ 78,345,000</u>	<u>\$ 64,882,947</u>	<u>\$ 143,227,947</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable. During 1993, the Water and Sewerage Authority incurred debt in the amount of \$1,221,695 with the Georgia Environmental Facilities Authority for system improvements. The note matures February 1, 2015 and requires quarterly principal and interest payments at an interest rate of 4.8%.

The Water and Sewerage Authority has agreed to pay Newton County, Georgia for certain costs pertaining to the Cornish Creek reservoir and treatment plant in which the Authority has a 25% interest. The Authority's share of the debt is \$4,780,000. Currently, only interest payments are being made at a rate of 5.5%. Principal payments will begin in fiscal year 2011, and the note matures July 1, 2024. An intangible asset has been recorded for \$4,780,000 plus capitalized interest.

During 2006, the Water and Sewerage Authority borrowed \$4,500,000 from a financial institution to purchase and install radio read water meters. The note bears interest at a rate of 4.195% and requires monthly payments of principal and interest. The note matures June 30, 2016.

The County's debt service requirements to maturity on the notes payable are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 644,401	\$ 426,653	\$ 1,071,054
2012	914,513	387,184	1,301,697
2013	957,851	346,563	1,304,414
2014	1,000,365	305,436	1,305,801
2015	1,020,564	262,183	1,282,747
2016 - 2020	3,021,170	797,961	3,819,131
2021 - 2025	2,045,289	193,347	2,238,636
Total	<u>\$ 9,604,153</u>	<u>\$ 2,719,327</u>	<u>\$ 12,323,480</u>

Landfill post-closure costs. Effective 1987, the Walton County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2010, the County has 8 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately \$45,976 over the 8 year period. These costs are based on what it would cost to perform all post-closure care in 2010, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Health Department – Component Unit.

The following is a summary of the Health Department’s long-term debt activity for the year ended June 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 100,357	\$ 73,918	\$ (90,078)	\$ 84,197	\$ 21,330

NOTE 9. DEFINED BENEFIT PLAN

Plan Description

The County sponsors the Association of County Commissioners of Georgia Walton County Defined Benefit Plan (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan is affiliated with the Association of County Commissioners of Georgia Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan as provided in Section 19.02 of The ACCG Plan document. Complete financial statements for the Association of County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from GEBCorp, 3625 Cumberland Boulevard, Suite 825, Atlanta, Georgia 30339.

As of January 1, 2010, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	25
Term vested participants not receiving benefits	154
Active participants	533
	712

Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan’s trust. A contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Annual Pension Cost

The County's annual pension cost and net pension obligation (asset) for the pension plan for the year beginning January 1, 2010, (the most recent actuarial valuation date) are as follows:

	June 30, 2010	June 30, 2009
<u>Derivation of Annual Pension Cost</u>		
Annual Required Contribution	\$ 1,070,999	\$ 1,002,312
Interest on Net Pension Obligation	(35,097)	(29,452)
Amortization of Net Pension Obligation	37,553	31,074
Annual Pension Cost	\$ 1,073,455	\$ 1,003,934

Derivation of Net Pension Obligation

Annual Pension Cost for Current Year	\$ 1,073,455
Actual Contributions to Plan for Current Year	1,078,548
Increase in Net Pension Obligation	(5,093)
Net Pension Obligation (Asset) as of June 30, 2009	(431,778)
Net Pension Obligation (Asset) as of June 30, 2010	\$ (436,871)

Basis of Valuation

Current Valuation Date	January 1, 2010
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.0% - 6.5% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	10

The following is a schedule of funding progress:

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
12/31/2009	\$ 5,677,407	\$ 8,909,496	\$ 3,232,089	63.72 %	\$ 20,784,915	15.55 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010.

Trend Information for The Plan				
Fiscal Year Ending	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
June 30, 2010	\$ 1,073,455	\$ 1,078,548	100.5 %	\$ (436,871)
June 30, 2009	1,003,934	1,067,565	106.3	(431,778)
June 30, 2008	803,171	871,410	108.5	(368,147)

NOTE 10. DEFINED CONTRIBUTION PLAN

The County, by resolution, adopted the ACCG 401(a), a defined contribution retirement plan, administered by GEBCorp. The plan provisions and contribution rates may also be amended by resolution. Employees are eligible to join the plan after one year of full time service and are fully vested after five years of service. The County shall make a matching contribution on behalf of each participant to the plan equal to 2% of the participant's compensation for each participant who contributes 2% of their compensation, and an additional 2% if an employee also contributes at least 2% to the 457(b) Deferred Compensation Plan.

For the year ended June 30, 2010, the County's contribution to the plan was \$648,306 and employee contributions were \$382,324.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The County administers a single-employer defined benefit healthcare plan. The plan does not issue a stand-alone report. The plan provides medical coverage, prescription drug benefits and death benefits for eligible retirees and their spouses. In order to be eligible for retiree healthcare coverage, employees must have 20 years of service and be at least 62 years of age. Coverage continues at the election of the retiree until age 65.

The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Retirees must pay the required monthly premium for either single, single plus spouse, single plus children, or family coverage as applicable under the chosen plan of coverage.

Funding Policy

Contribution requirements are also approved by resolution of the Board of Commissioners. The County pays claims for eligible retired plan members. Plan members receiving benefits are not required to contribute as the County pays 100% on a pay-as-you-go basis.

Annual OPEB Cost

The County's annual other post-employment benefit (OPEB) cost and net OPEB obligation for the OPEB plan for the year ending June 30, 2010, are as follows:

	June 30, 2010	June 30, 2009
<u>Derivation of Annual OPEB Cost</u>		
Annual Required Contribution	\$ 67,709	\$ 66,308
Interest on Net OPEB Obligation	2,657	-
Adjustment to the ARC	(3,050)	-
Annual OPEB Cost	\$ 67,316	\$ 66,308

Derivation of Net OPEB Obligation

Annual OPEB Cost for Current Year		\$ 67,316
Actual Contributions to Plan for Current Year		31,915
Increase in Net OPEB Obligation		35,401
Net OPEB Obligation as of June 30, 2009		35,433
Net OPEB Obligation as of June 30, 2010		\$ 70,834

Basis of Valuation

Current Valuation Date		July 1, 2009
Actuarial Asset Valuation Method		Projected Unit Credit
Assumed Rate of Return on Investments		7.5%
Healthcare Cost Trend Rate		8.0%
Ultimate Healthcare Trend Rate		5.0%
Year of Ultimate Trend Rate		2012
Amortization Method		Level dollar (open)
Remaining Amortization Period		29 years

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following is a schedule of funding progress:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
7/1/2009	\$ -	\$ 456,050	\$ 456,050	- %	\$ 20,784,915	2.19 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of the plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2009.

Trend Information for The Plan				
Fiscal Year Ending	Annual OPEB Cost (AOPC)	Actual County Contribution	Percentage of AOPC Contributed	Net OPEB Obligation
6/30/10	\$ 67,316	\$ 31,915	47.4 %	\$ 70,834
6/30/09	66,308	30,875	46.6	35,433

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

Health Insurance. The County established a self-funded trust for the administration and funding of the County's health insurance and medical expenses. This trust is the source of funding for claims or expense reimbursement of employees for losses due to death, disability, dental or medical expenses and other expenses relating to maintenance of the fund by the appointed trustee.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

Health Insurance (Continued). The following describes the activity in the health care plan, including changes to the estimate for claims incurred but not reported, for the past two fiscal years.

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2010	\$ 1,034,738	\$ 6,276,779	\$ 6,219,859	\$ 1,091,658
2009	784,033	6,044,605	5,793,900	1,034,738

Workers Compensation. The County participates in the Association of County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (FUND), self-insured pool cooperative arrangement among its members to finance workers compensation coverage. The fund is owned by its members and is managed by insurance professionals and overseen by a seven member Board of Trustees who are representative from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A 34-9-150 et Seq. and the Georgia Insurance Commissioner's Office.

The members of the Fund are assessable if the losses that the Fund must pay exceed the assets of the pool. At June 30, 2010, there was no need for such an assessment. Therefore, no liability for this has been included in the amounts below. As part of this risk pool, the County is obligated to pay all contributions and assessments, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by this fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the fund to pay any type of loss. The County is also to allow all the pool's agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claims made against the County.

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

The County participates in the large deductible option with a \$250,000 deductible. Under this plan, Walton County is responsible for all payments up to \$250,000 per occurrence on workers' compensation claims. Once an individual claim exceeds the deductible, the plan will pay all costs in excess of the deductible. As of June 30, 2010, an actuary determined that an estimated \$790,145 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2010 for which Walton County will be liable.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

Workers Compensation (Continued). The following describes the activity in the workers compensation plan for the past two fiscal years.

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2010	\$ 570,578	\$ 702,317	\$ 482,750	\$ 790,145
2009	396,267	391,508	217,197	570,578

General Liability

The County participates in the Association of County Commissioners of Georgia Interlocal Risk Management Agency (IRMA), a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

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

Settled claims have not exceeded coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at June 30, 2010, the County has contractual commitments on uncompleted contracts of approximately \$2,303,692.

Litigation

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies

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

NOTE 14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Northeast Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended June 30, 2010, the County paid \$75,647 in such dues. Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from:

Northeast Georgia Regional Development Center
305 Research Drive
Athens, GA 30605

NOTES TO FINANCIAL STATEMENTS

NOTE 14. JOINT VENTURE (CONTINUED)

During 1998, the Four County Industrial Development Authority (the "Joint 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, 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 and refinanced in January 2009 for the repayment of the Walton County Development Authority, to 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 County has recorded its portion of the debt and the related land investment in the amount of \$3,375,000.

In June 2001, the Joint Authority issued a GEFA loan in the amount of \$487,760 to finance the extension of water and wastewater service to the above mentioned property. According to the intergovernmental agreement established in conjunction with the issuance of the GEFA loan, the stated percentages of ownership and debt assumed by Walton County is 34.5%. The County has recorded its portion of the debt and related investment in joint venture in the amount of \$168,277.

Separate financial statements can be obtained from:

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

NOTE 15. PRIOR PERIOD RESTATEMENTS

The County has determined that restatements of beginning net assets of the Water and Sewer Fund, a major proprietary fund, are necessary to reflect the implementation of a new accounting principle, GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and to properly report intergovernmental receivables and revenues that should have been accrued as of June 30, 2009 due to an agreement with Oconee County. The details of the change to the beginning net assets of the Water and Sewer Fund are as follows:

Net assets, as previously reported	\$ 40,370,365
Effect of implementation of accounting principle	1,009,858
Effect of recognizing revenues earned in prior years	19,828,400
Net assets, as restated	<u>\$ 61,208,623</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 15. PRIOR PERIOD RESTATEMENTS (CONTINUED)

As a result of the adjustments to the fund level balances, the beginning net assets of the business type activities have also been adjusted from the prior year. The details of the adjustment to business type activities beginning net assets are as follows:

Net assets, as previously reported	\$ 41,300,449
Effect of implementation of accounting principle	1,009,858
Effect of recognizing revenues earned in prior years	<u>19,828,400</u>
Net assets, as restated	<u><u>\$ 62,138,707</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

WALTON COUNTY, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 30,043,541	\$ 30,330,423	\$ 30,320,626	\$ (9,797)
Sales taxes	6,015,000	6,372,596	5,926,123	(446,473)
Insurance premium taxes	2,000,000	1,960,000	1,959,837	(163)
Other taxes	897,650	812,339	812,336	(3)
Licenses and permits	237,150	233,254	227,959	(5,295)
Intergovernmental	87,067	421,160	389,829	(31,331)
Charges for services	3,970,866	4,120,603	4,116,125	(4,478)
Fines and forfeitures	1,567,802	1,643,667	1,652,780	9,113
Interest	271,590	64,381	64,368	(13)
Contributions	-	-	22,378	22,378
Other revenues	175,981	263,879	242,938	(20,941)
Total revenues	<u>45,266,647</u>	<u>46,222,302</u>	<u>45,735,299</u>	<u>(487,003)</u>
Expenditures:				
Current:				
General government:				
Board of commissioners	236,956	181,221	153,782	27,439
County clerk	113,105	111,851	94,823	17,028
Chairman	130,228	138,980	135,403	3,577
Tax commissioner	855,275	723,613	698,521	25,092
Tax assessor	877,585	854,768	815,367	39,401
Elections	380,376	369,848	291,643	78,205
Financial administration	299,926	288,885	250,852	38,033
Accounting	319,077	333,427	333,407	20
Purchasing	85,753	83,054	78,327	4,727
Law	300,000	300,000	295,031	4,969
Data processing	417,797	411,309	398,227	13,082
Human resources	363,342	331,431	302,734	28,697
Board of equalization	60,072	30,441	27,505	2,936
Risk management	849,904	631,641	631,500	141
General government buildings	2,168,655	2,122,194	1,971,652	150,542
RDC & ACCG fees	106,071	160,838	83,782	77,056
Customer service	40,429	28,538	26,675	1,863
Total general government	<u>7,604,551</u>	<u>7,102,039</u>	<u>6,589,231</u>	<u>512,808</u>
Judicial:				
Superior court	858,005	755,256	598,776	156,480
Clerk of superior court	1,070,640	1,046,019	1,033,486	12,533
District attorney	675,692	704,920	703,811	1,109
Probate court	621,114	657,606	657,564	42
Magistrate court	388,239	379,172	375,156	4,016
Juvenile court	672,316	706,813	706,809	4
Public defender	476,369	476,931	476,837	94
Total judicial	<u>4,762,375</u>	<u>4,726,717</u>	<u>4,552,439</u>	<u>174,278</u>
Public safety:				
Sheriff's office	952,429	1,071,321	1,067,358	3,963
Law enforcement administration	881,728	925,466	925,465	1
Criminal investigation	1,014,004	1,055,254	1,055,253	1
Uniform patrol	2,600,339	2,791,555	2,791,551	4
Youth investigation	476,527	485,341	485,337	4
Jail operations	5,640,792	5,728,848	5,715,202	13,646
Court services	1,323,104	1,354,370	1,354,368	2
Fire administration	242,998	238,676	233,842	4,834
Fire fighting	3,850,663	3,966,435	3,939,797	26,638
Fire training	38,633	30,531	29,705	826
Fire stations and buildings	173,000	141,778	139,993	1,785
Coroner	88,360	81,824	57,633	24,191
Animal control	447,393	512,321	502,730	9,591
Emergency management	89,512	95,148	95,061	87
Total public safety	<u>17,819,482</u>	<u>18,478,868</u>	<u>18,393,295</u>	<u>85,573</u>

(Continued)

WALTON COUNTY, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
Public works:				
Highway and streets administration	\$ 187,417	\$ 187,434	\$ 165,141	\$ 22,293
Roadways and walkways	5,404,563	5,441,193	4,186,769	1,254,424
Unpaved streets	500,000	401,768	264,389	137,379
Street lighting	450,000	517,294	517,293	1
Traffic engineering	534,144	532,594	345,186	187,408
Maintenance and shop	504,907	488,876	431,094	57,782
Stormwater	152,613	152,613	108,288	44,325
Total public works	<u>7,733,644</u>	<u>7,721,772</u>	<u>6,018,160</u>	<u>1,703,612</u>
Health and welfare:				
Health centers and clinics	526,015	526,015	519,643	6,372
Aid to dependent children	101,865	101,865	101,856	9
Pauper burial costs	30,000	30,000	7,500	22,500
Walton County Senior Citizens, Inc.	189,938	189,938	189,938	-
Alcove, Inc. (shelter)	20,000	20,000	20,000	-
Total health and welfare	<u>867,818</u>	<u>867,818</u>	<u>838,937</u>	<u>28,881</u>
Culture and Recreation:				
Recreation programs	1,202,551	1,468,743	1,463,178	5,565
Park areas	1,549,361	1,570,760	1,546,086	24,674
Library	278,100	278,100	278,100	-
Total culture and recreation	<u>3,030,012</u>	<u>3,317,603</u>	<u>3,287,364</u>	<u>30,239</u>
Housing and development:				
Conservation administration	14,762	14,762	14,762	-
USDA natural resource conservation service	56,576	50,966	50,962	4
County extension service	118,069	118,600	107,783	10,817
Forest resources	42,215	49,710	49,701	9
Protective inspection administration	456,903	388,670	385,667	3,003
Planning and zoning	554,656	522,512	483,120	39,392
Walton County planning commission	4,200	4,570	4,215	355
Walton County board of appeals	4,200	4,550	4,200	350
Code enforcement	127,863	128,217	124,274	3,943
Economic development	222,931	222,931	222,931	-
Action Inc.	8,323	8,323	8,323	-
Total housing and development	<u>1,610,698</u>	<u>1,513,811</u>	<u>1,455,938</u>	<u>57,873</u>
Total expenditures	<u>43,428,580</u>	<u>43,728,628</u>	<u>41,135,364</u>	<u>2,593,264</u>
Excess of revenues over expenditures	<u>1,838,067</u>	<u>2,493,674</u>	<u>4,599,935</u>	<u>2,106,261</u>
Other financing sources (uses):				
Proceeds from capital leases	-	-	360,412	360,412
Proceeds from the sale of capital assets	-	-	87,308	87,308
Transfers in	229,145	622,264	107,082	(515,182)
Transfers out	(4,154,615)	(4,132,808)	(3,556,862)	575,946
Total other financing sources (uses)	<u>(3,925,470)</u>	<u>(3,510,544)</u>	<u>(3,002,060)</u>	<u>508,484</u>
Net change in fund balances	(2,087,403)	(1,016,870)	1,597,875	2,614,745
Fund balance, beginning of year	<u>21,466,751</u>	<u>21,466,751</u>	<u>21,466,751</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,379,348</u>	<u>\$ 20,449,881</u>	<u>\$ 23,064,626</u>	<u>\$ 2,614,745</u>

WALTON COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF FUNDING PROGRESS

Defined Benefit Pension Plan

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a)		(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
			Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio		
December 31, 2009	\$ 5,677,407	\$ 8,909,496	\$ 3,232,089	63.7%	\$ 20,784,915	15.6%
December 31, 2008	3,920,133	7,223,759	3,303,626	54.3%	19,834,984	16.7%
December 31, 2007	3,114,743	6,070,874	2,956,131	51.3%	15,760,201	18.8%
December 31, 2006	2,457,758	5,272,700	2,814,942	46.6%	15,237,832	18.5%
December 31, 2005	2,380,496	5,434,321	3,053,825	43.8%	15,283,997	20.0%
December 31, 2004	2,387,453	5,727,550	3,340,097	41.7%	13,897,790	24.0%

NOTE: See assumptions used for this schedule in the notes to the financial statements.

Other Post-Employment Benefit Plan

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a)		(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
			Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio		
July 1, 2009	\$ -	\$ 456,050	\$ 456,050	0.0%	\$ 20,784,915	2.2%
July 1, 2008	-	407,300	407,300	0.0%	19,834,984	2.1%

NOTE: See assumptions used for this schedule in the notes to the financial statements.

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.

Law Library Fund - to account for the revenues and related expenditures of operating the County's Law Library.

Forfeited Drug Seizure Fund – to account for funds forfeited to the Sheriff by the courts to be used for law enforcement activities.

Inmate Phone Fund - to account for commission revenues from inmate phone usage to be used for law enforcement activities.

E911 Fund - to account for the monthly 911 charge to help fund the cost of providing emergency 911 services.

Clerk's Authority Fund – to account for the collection and disbursement of court fines, fees, and assessments.

Juvenile Supplemental Services Fund - to account for funds collected to be used for law enforcement activities.

Multiple Grant Fund - to account for governmental grants received and the related expenditures.

System of Care Grant Fund - to account for grant funding received from the State of Georgia for the purpose of enhancing the safety of children.

Drug Abuse Treatment Education Fund - to account for funds collected from fines and forfeitures to be used to maintain a Drug Abuse Treatment and Education program.

DARE Program Fund – to account for funds raised and used to operate the DARE program.

Crime Victim's Assistance Fund – to account for fines and assessments distributed by the courts to be used to provide services to crime victims.

Seized Drug Fund – to account for fines seized by the Sheriff.

Inmate Commissary Fund - to account for the commissions made by the Sheriff's office from canteen sales to the inmates.

DA Forfeiture Fund - to account for funds forfeited to the District Attorney's office by the courts to be used for law enforcement activities.

Forfeited Federal Drug Fund - to account for funds forfeited for federal cases.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Capital Projects Grant Fund - to account for the resources accumulated and used for the acquisition and construction of major capital projects.

2001 SPLOST Fund – to account for the expenditures of the 2001 SPLOST.

Impact Fees Fund - to account for the collection and disbursement of impact fees.

WALTON COUNTY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010**

Special Revenue Funds						
ASSETS	Law Library	Forfeited Drug Seizure	Inmate Phone	Emergency 911	Clerk's Authority	Juvenile Supplemental Services
Cash and cash equivalents	\$ 36,390	\$ 18,741	\$ 183,376	\$ -	\$ 117,339	\$ 295,718
Investments	51,286	-	-	-	-	-
Accounts receivable	-	-	-	203,561	-	19,955
Due from other governments	-	-	-	-	-	-
Prepays	-	-	-	2,592	-	377
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 87,676</u>	<u>\$ 18,741</u>	<u>\$ 183,376</u>	<u>\$ 206,153</u>	<u>\$ 117,339</u>	<u>\$ 316,050</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 21,275	\$ -	\$ -
Accrued liabilities	-	-	-	26,370	-	-
Due to other funds	-	-	-	15,919	-	-
Due to component unit	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,564</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Reserved for:						
Capital projects	-	-	-	-	-	-
Prepays	-	-	-	2,592	-	377
Unreserved, designated	87,676	18,741	183,376	139,997	117,339	315,673
Total fund balances	<u>87,676</u>	<u>18,741</u>	<u>183,376</u>	<u>142,589</u>	<u>117,339</u>	<u>316,050</u>
Total liabilities and fund balances	<u>\$ 87,676</u>	<u>\$ 18,741</u>	<u>\$ 183,376</u>	<u>\$ 206,153</u>	<u>\$ 117,339</u>	<u>\$ 316,050</u>

Multiple Grant	System of Care Grant	Drug Abuse Treatment Education	DARE Program	Crime Victim's Assistance	Seized Drug	Inmate Commissary
\$ 259	\$ -	\$ 125,217	\$ 8,168	\$ 247,502	\$ 92,089	\$ 194,236
-	-	-	-	-	-	-
-	-	-	-	-	-	-
162,968	-	4,487	-	-	-	-
-	-	-	-	-	-	-
4,837	-	-	-	-	-	-
<u>\$ 168,064</u>	<u>\$ -</u>	<u>\$ 129,704</u>	<u>\$ 8,168</u>	<u>\$ 247,502</u>	<u>\$ 92,089</u>	<u>\$ 194,236</u>
\$ 9,902	\$ -	\$ -	\$ -	\$ 2,236	\$ 90,408	\$ 10,151
3,085	-	-	-	2,102	-	-
142,756	-	-	-	11,642	-	-
12,321	-	-	-	-	-	-
137,762	-	-	-	-	-	-
<u>305,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,980</u>	<u>90,408</u>	<u>10,151</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(137,762)	-	129,704	8,168	231,522	1,681	184,085
<u>(137,762)</u>	<u>-</u>	<u>129,704</u>	<u>8,168</u>	<u>231,522</u>	<u>1,681</u>	<u>184,085</u>
<u>\$ 168,064</u>	<u>\$ -</u>	<u>\$ 129,704</u>	<u>\$ 8,168</u>	<u>\$ 247,502</u>	<u>\$ 92,089</u>	<u>\$ 194,236</u>

WALTON COUNTY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010**

ASSETS	Special Revenue Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
	DA Forfeiture	Forfeited Federal Drug	Capital Projects Grant	2001 SPLOST	Impact Fees	
Cash and cash equivalents	\$ 83,377	\$ 6,776	\$ -	\$ 1,888,235	\$ 809,300	\$ 4,106,723
Investments	-	-	-	-	-	51,286
Accounts receivable	-	-	-	-	-	223,516
Due from other governments	-	-	60,586	-	-	228,041
Prepays	-	-	-	-	-	2,969
Due from other funds	-	-	397,907	-	7,344	410,088
Total assets	<u>\$ 83,377</u>	<u>\$ 6,776</u>	<u>\$ 458,493</u>	<u>\$ 1,888,235</u>	<u>\$ 816,644</u>	<u>\$ 5,022,623</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 2,981	\$ -	\$ 117,307	\$ 13,722	\$ -	\$ 267,982
Accrued liabilities	-	-	-	-	-	31,557
Due to other funds	-	-	397,907	-	-	568,224
Due to component unit	-	-	-	-	-	12,321
Deferred revenue	-	-	-	-	-	137,762
Total liabilities	<u>2,981</u>	<u>-</u>	<u>515,214</u>	<u>13,722</u>	<u>-</u>	<u>1,017,846</u>
FUND BALANCES (DEFICIT)						
Reserved for:						
Capital projects	-	-	-	1,874,513	816,644	2,691,157
Prepays	-	-	-	-	-	2,969
Unreserved, designated	<u>80,396</u>	<u>6,776</u>	<u>(56,721)</u>	<u>-</u>	<u>-</u>	<u>1,310,651</u>
Total fund balances	<u>80,396</u>	<u>6,776</u>	<u>(56,721)</u>	<u>1,874,513</u>	<u>816,644</u>	<u>4,004,777</u>
Total liabilities and fund balances	<u>\$ 83,377</u>	<u>\$ 6,776</u>	<u>\$ 458,493</u>	<u>\$ 1,888,235</u>	<u>\$ 816,644</u>	<u>\$ 5,022,623</u>

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Special Revenue Funds					
	Law Library	Forfeited Drug Seizure	Inmate Phone	Emergency 911	Clerk's Authority	Juvenile Supplemental Services
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 15,310	\$ -
Fines and forfeitures	100,683	49,338	-	-	-	36,565
Charges for services	-	-	95,977	1,462,262	-	-
Interest income	1,316	411	1,423	-	238	559
Contributions	-	-	-	-	-	-
Other revenues	-	-	-	885	-	-
Total revenues	101,999	49,749	97,400	1,463,147	15,548	37,124
Expenditures:						
Current						
General government	-	-	-	-	-	-
Judicial	59,713	-	-	-	-	1,722
Public safety	-	77,421	1,507	1,933,394	-	-
Health and welfare	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	59,713	77,421	1,507	1,933,394	-	1,722
Excess (deficiency) of revenues over (under) expenditures	42,286	(27,672)	95,893	(470,247)	15,548	35,402
Other financing sources (uses):						
Transfers in	-	-	-	529,184	-	-
Transfers out	-	-	(13,224)	-	(4,436)	-
Total other financing sources (uses)	-	-	(13,224)	529,184	(4,436)	-
Net change in fund balances	42,286	(27,672)	82,669	58,937	11,112	35,402
Fund balances (deficit), beginning of year	45,390	46,413	100,707	83,652	106,227	280,648
Fund balances (deficit), end of year	\$ 87,676	\$ 18,741	\$ 183,376	\$ 142,589	\$ 117,339	\$ 316,050

(Continued)

Multiple Grant	System of Care Grant	Drug Abuse Treatment Education	DARE Program	Crime Victim's Assistance	Seized Drug	Inmate Commissary
\$ 219,992	\$ 235,160	\$ -	\$ -	\$ 86,359	\$ -	\$ -
-	-	53,859	-	-	-	-
-	-	-	-	-	-	36,762
2	-	278	2	2,837	1,332	4,615
70,320	-	-	10,725	-	-	-
-	-	-	-	-	-	17,138
<u>290,314</u>	<u>235,160</u>	<u>54,137</u>	<u>10,727</u>	<u>89,196</u>	<u>1,332</u>	<u>58,515</u>
-	-	-	-	-	-	-
95,614	24,190	-	-	100,337	-	-
280,695	-	-	15,873	-	-	59,353
227,162	102,869	55,301	-	-	-	-
-	1,922	-	-	-	-	-
-	-	-	-	-	-	-
<u>603,471</u>	<u>128,981</u>	<u>55,301</u>	<u>15,873</u>	<u>100,337</u>	<u>-</u>	<u>59,353</u>
(313,157)	106,179	(1,164)	(5,146)	(11,141)	1,332	(838)
186,455	-	-	-	-	-	-
(11,060)	-	(4,077)	-	(20,108)	-	(250)
175,395	-	(4,077)	-	(20,108)	-	(250)
(137,762)	106,179	(5,241)	(5,146)	(31,249)	1,332	(1,088)
-	(106,179)	134,945	13,314	262,771	349	185,173
<u>\$ (137,762)</u>	<u>\$ -</u>	<u>\$ 129,704</u>	<u>\$ 8,168</u>	<u>\$ 231,522</u>	<u>\$ 1,681</u>	<u>\$ 184,085</u>

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
	DA Forfeiture	Forfeited Federal Drug	Capital Projects Grant	2001 SPLOST	Impact Fees	
Revenues:						
Intergovernmental	\$ -	\$ 12,195	\$ 560,586	\$ -	\$ -	\$ 1,129,602
Fines and forfeitures	9,408	-	-	-	-	249,853
Charges for services	-	-	-	-	40,105	1,635,106
Interest income	1,222	3	-	4,929	1,642	20,809
Contributions	-	-	-	-	-	81,045
Other revenues	-	-	-	-	-	18,023
Total revenues	<u>10,630</u>	<u>12,198</u>	<u>560,586</u>	<u>4,929</u>	<u>41,747</u>	<u>3,134,438</u>
Expenditures:						
Current						
General government	-	-	-	24,436	-	24,436
Judicial	67,889	-	-	-	-	349,465
Public safety	-	6,726	-	-	9,500	2,384,469
Health and welfare	-	-	-	-	-	385,332
Housing and development	-	-	-	-	-	1,922
Capital outlay	-	-	1,281,598	1,000	6,000	1,288,598
Total expenditures	<u>67,889</u>	<u>6,726</u>	<u>1,281,598</u>	<u>25,436</u>	<u>15,500</u>	<u>4,434,222</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,259)</u>	<u>5,472</u>	<u>(721,012)</u>	<u>(20,507)</u>	<u>26,247</u>	<u>(1,299,784)</u>
Other financing sources (uses):						
Transfers in	-	-	664,291	-	-	1,379,930
Transfers out	(8,499)	-	-	-	(68,420)	(130,074)
Total other financing sources (uses)	<u>(8,499)</u>	<u>-</u>	<u>664,291</u>	<u>-</u>	<u>(68,420)</u>	<u>1,249,856</u>
Net change in fund balances	(65,758)	5,472	(56,721)	(20,507)	(42,173)	(49,928)
Fund balances (deficit), beginning of year	<u>146,154</u>	<u>1,304</u>	<u>-</u>	<u>1,895,020</u>	<u>858,817</u>	<u>4,054,705</u>
Fund balances (deficit), end of year	<u>\$ 80,396</u>	<u>\$ 6,776</u>	<u>\$ (56,721)</u>	<u>\$ 1,874,513</u>	<u>\$ 816,644</u>	<u>\$ 4,004,777</u>

WALTON COUNTY, GEORGIA

**LAW LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 63,014	\$ 63,014	\$ 100,683	\$ 37,669
Interest income	51	51	1,316	1,265
Total revenues	<u>63,065</u>	<u>63,065</u>	<u>101,999</u>	<u>38,934</u>
Expenditures:				
Current				
Judicial	63,065	63,065	59,713	3,352
Total expenditures	<u>63,065</u>	<u>63,065</u>	<u>59,713</u>	<u>3,352</u>
Net change in fund balance	-	-	42,286	42,286
Fund balance, beginning of year	<u>45,390</u>	<u>45,390</u>	<u>45,390</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 45,390</u></u>	<u><u>\$ 45,390</u></u>	<u><u>\$ 87,676</u></u>	<u><u>\$ 42,286</u></u>

WALTON COUNTY, GEORGIA

**FORFEITED DRUG SEIZURE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 39,808	\$ 77,376	\$ 49,338	\$ (28,038)
Interest income	45	45	411	366
Total revenues	<u>39,853</u>	<u>77,421</u>	<u>49,749</u>	<u>(27,672)</u>
Expenditures:				
Current				
Public safety	39,853	77,421	77,421	-
Total expenditures	<u>39,853</u>	<u>77,421</u>	<u>77,421</u>	<u>-</u>
Net change in fund balance	-	-	(27,672)	(27,672)
Fund balance, beginning of year	<u>46,413</u>	<u>46,413</u>	<u>46,413</u>	<u>-</u>
Fund balance, end of year	<u>\$ 46,413</u>	<u>\$ 46,413</u>	<u>\$ 18,741</u>	<u>\$ (27,672)</u>

WALTON COUNTY, GEORGIA

**INMATE PHONE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 38,000	\$ 38,000	\$ 95,977	\$ 57,977
Interest income	600	600	1,423	823
Total revenues	<u>38,600</u>	<u>38,600</u>	<u>97,400</u>	<u>58,800</u>
Expenditures:				
Current				
Public safety	38,600	25,375	1,507	23,868
Total expenditures	<u>38,600</u>	<u>25,375</u>	<u>1,507</u>	<u>23,868</u>
Excess of revenues over expenditures	-	13,225	95,893	82,668
Other financing uses				
Transfers out	-	(13,225)	(13,224)	1
Total other financing uses	<u>-</u>	<u>(13,225)</u>	<u>(13,224)</u>	<u>1</u>
Net change in fund balance	-	-	82,669	82,669
Fund balance, beginning of year	<u>100,707</u>	<u>100,707</u>	<u>100,707</u>	<u>-</u>
Fund balance, end of year	<u>\$ 100,707</u>	<u>\$ 100,707</u>	<u>\$ 183,376</u>	<u>\$ 82,669</u>

WALTON COUNTY, GEORGIA

**EMERGENCY 911
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,120,250	\$ 1,474,584	\$ 1,462,262	\$ (12,322)
Other revenues	-	-	885	885
Total revenues	<u>1,120,250</u>	<u>1,474,584</u>	<u>1,463,147</u>	<u>(11,437)</u>
Expenditures:				
Current				
Public safety	<u>2,136,106</u>	<u>2,115,896</u>	<u>1,933,394</u>	<u>182,502</u>
Total expenditures	<u>2,136,106</u>	<u>2,115,896</u>	<u>1,933,394</u>	<u>182,502</u>
Deficiency of revenues under expenditures	<u>(1,015,856)</u>	<u>(641,312)</u>	<u>(470,247)</u>	<u>171,065</u>
Other financing sources				
Transfers in	<u>1,015,856</u>	<u>641,312</u>	<u>529,184</u>	<u>(112,128)</u>
Total other financing sources	<u>1,015,856</u>	<u>641,312</u>	<u>529,184</u>	<u>(112,128)</u>
Net change in fund balance	-	-	58,937	58,937
Fund balance, beginning of year	<u>83,652</u>	<u>83,652</u>	<u>83,652</u>	<u>-</u>
Fund balance, end of year	<u>\$ 83,652</u>	<u>\$ 83,652</u>	<u>\$ 142,589</u>	<u>\$ 58,937</u>

WALTON COUNTY, GEORGIA

**CLERK'S AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,621	\$ 6,621	\$ 15,310	\$ 8,689
Interest income	913	913	238	(675)
Total revenues	<u>7,534</u>	<u>7,534</u>	<u>15,548</u>	<u>8,014</u>
Expenditures:				
Current				
Judicial	7,534	3,098	-	3,098
Total expenditures	<u>7,534</u>	<u>3,098</u>	<u>-</u>	<u>3,098</u>
Excess of revenues over expenditures	-	4,436	15,548	11,112
Other financing uses				
Transfers out	-	(4,436)	(4,436)	-
Total other financing uses	<u>-</u>	<u>(4,436)</u>	<u>(4,436)</u>	<u>-</u>
Net change in fund balance	-	-	11,112	11,112
Fund balance, beginning of year	<u>106,227</u>	<u>106,227</u>	<u>106,227</u>	<u>-</u>
Fund balance, end of year	<u>\$ 106,227</u>	<u>\$ 106,227</u>	<u>\$ 117,339</u>	<u>\$ 11,112</u>

WALTON COUNTY, GEORGIA

**JUVENILE SUPPLEMENTAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,516	\$ 1,516	\$ 36,565	\$ 35,049
Interest income	1,000	1,000	559	(441)
Total revenues	<u>2,516</u>	<u>2,516</u>	<u>37,124</u>	<u>34,608</u>
Expenditures:				
Current				
Judicial	2,516	2,516	1,722	794
Total expenditures	<u>2,516</u>	<u>2,516</u>	<u>1,722</u>	<u>794</u>
Net change in fund balance	-	-	35,402	35,402
Fund balance, beginning of year	<u>280,648</u>	<u>280,648</u>	<u>280,648</u>	<u>-</u>
Fund balance, end of year	<u>\$ 280,648</u>	<u>\$ 280,648</u>	<u>\$ 316,050</u>	<u>\$ 35,402</u>

WALTON COUNTY, GEORGIA

**MULTIPLE GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 251,365	\$ 384,065	\$ 219,992	\$ (164,073)
Contributions	-	70,320	70,320	-
Interest income	-	-	2	2
Total revenues	<u>251,365</u>	<u>454,385</u>	<u>290,314</u>	<u>(164,071)</u>
Expenditures:				
Current				
Public safety	64,619	288,985	280,695	8,290
Judicial	76,253	97,606	95,614	1,992
Health and welfare	194,440	243,757	227,162	16,595
Total expenditures	<u>335,312</u>	<u>630,348</u>	<u>603,471</u>	<u>26,877</u>
Deficiency of revenues over expenditures	<u>(83,947)</u>	<u>(175,963)</u>	<u>(313,157)</u>	<u>(137,194)</u>
Other financing sources (uses)				
Transfers in	182,947	187,023	186,455	(568)
Transfers out	<u>(99,000)</u>	<u>(11,060)</u>	<u>(11,060)</u>	<u>-</u>
Total other financing sources (uses)	<u>83,947</u>	<u>175,963</u>	<u>175,395</u>	<u>(568)</u>
Net change in fund balance	-	-	(137,762)	(137,762)
Fund balance, beginning of year	-	-	-	-
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (137,762)</u>	<u>\$ (137,762)</u>

WALTON COUNTY, GEORGIA

**SYSTEM OF CARE GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 325,000	\$ 325,000	\$ 235,160	\$ (89,840)
Total revenues	<u>325,000</u>	<u>325,000</u>	<u>235,160</u>	<u>(89,840)</u>
Expenditures:				
Current				
Judicial	58,750	58,750	24,190	34,560
Health and welfare	249,750	258,750	102,869	155,881
Housing and development	7,500	7,500	1,922	5,578
Total expenditures	<u>316,000</u>	<u>325,000</u>	<u>128,981</u>	<u>196,019</u>
Net change in fund balance	9,000	-	106,179	106,179
Fund balance (deficit), beginning of year	<u>(106,179)</u>	<u>(106,179)</u>	<u>(106,179)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (97,179)</u>	<u>\$ (106,179)</u>	<u>\$ -</u>	<u>\$ 106,179</u>

WALTON COUNTY, GEORGIA

**DRUG ABUSE TREATMENT EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 63,859	\$ 63,859	\$ 53,859	\$ (10,000)
Interest income	1,123	1,123	278	(845)
Total revenues	<u>64,982</u>	<u>64,982</u>	<u>54,137</u>	<u>(10,845)</u>
Expenditures:				
Current				
Health and welfare	67,232	60,905	55,301	5,604
Total expenditures	<u>67,232</u>	<u>60,905</u>	<u>55,301</u>	<u>5,604</u>
Excess (deficiency) of revenues over expenditures	<u>(2,250)</u>	<u>4,077</u>	<u>(1,164)</u>	<u>(5,241)</u>
Other financing uses				
Transfers out	-	-	(4,077)	(4,077)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(4,077)</u>	<u>(4,077)</u>
Net change in fund balance	(2,250)	4,077	(5,241)	(9,318)
Fund balance, beginning of year	<u>134,945</u>	<u>134,945</u>	<u>134,945</u>	<u>-</u>
Fund balance, end of year	<u>\$ 132,695</u>	<u>\$ 139,022</u>	<u>\$ 129,704</u>	<u>\$ (9,318)</u>

WALTON COUNTY, GEORGIA

**DARE PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Contributions	\$ 500	\$ 15,871	\$ 10,725	\$ (5,146)
Interest income	2	2	2	-
Total revenues	<u>502</u>	<u>15,873</u>	<u>10,727</u>	<u>(5,146)</u>
Expenditures:				
Current				
Public safety	502	15,873	15,873	-
Total expenditures	<u>502</u>	<u>15,873</u>	<u>15,873</u>	<u>-</u>
Net change in fund balance	-	-	(5,146)	(5,146)
Fund balance, beginning of year	<u>13,314</u>	<u>13,314</u>	<u>13,314</u>	<u>-</u>
Fund balance, end of year	<u>\$ 13,314</u>	<u>\$ 13,314</u>	<u>\$ 8,168</u>	<u>\$ (5,146)</u>

WALTON COUNTY, GEORGIA

**CRIME VICTIM'S ASSISTANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 208,089	\$ 208,089	\$ 86,359	\$ (121,730)
Interest income	1,000	1,000	2,837	1,837
Total revenues	<u>209,089</u>	<u>209,089</u>	<u>89,196</u>	<u>(119,893)</u>
Expenditures:				
Current				
Judicial	114,529	112,190	100,337	11,853
Total expenditures	<u>114,529</u>	<u>112,190</u>	<u>100,337</u>	<u>11,853</u>
Excess (deficiency) of revenues over expenditures	<u>94,560</u>	<u>96,899</u>	<u>(11,141)</u>	<u>(108,040)</u>
Other financing uses				
Transfers out	(94,560)	(129,184)	(20,108)	109,076
Total other financing uses	<u>(94,560)</u>	<u>(129,184)</u>	<u>(20,108)</u>	<u>109,076</u>
Net change in fund balance	-	(32,285)	(31,249)	1,036
Fund balance, beginning of year	<u>262,771</u>	<u>262,771</u>	<u>262,771</u>	<u>-</u>
Fund balance, end of year	<u>\$ 262,771</u>	<u>\$ 230,486</u>	<u>\$ 231,522</u>	<u>\$ 1,036</u>

WALTON COUNTY, GEORGIA

**SEIZED DRUG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Interest income	\$ 5	\$ 5	\$ 1,332	\$ 1,327
Total revenues	<u>5</u>	<u>5</u>	<u>1,332</u>	<u>1,327</u>
Expenditures:				
Current				
Public safety	5	5	-	5
Total expenditures	<u>5</u>	<u>5</u>	<u>-</u>	<u>5</u>
Net change in fund balance	-	-	1,332	1,332
Fund balance, beginning of year	<u>349</u>	<u>349</u>	<u>349</u>	<u>-</u>
Fund balance, end of year	<u>\$ 349</u>	<u>\$ 349</u>	<u>\$ 1,681</u>	<u>\$ 1,332</u>

WALTON COUNTY, GEORGIA

**INMATE COMMISSARY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 23,000	\$ 37,850	\$ 36,762	\$ (1,088)
Interest income	1,000	4,615	4,615	-
Other revenue	17,138	17,138	17,138	-
Total revenues	<u>41,138</u>	<u>59,603</u>	<u>58,515</u>	<u>(1,088)</u>
Expenditures:				
Current				
Public safety	24,000	59,353	59,353	-
Total expenditures	<u>24,000</u>	<u>59,353</u>	<u>59,353</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>17,138</u>	<u>250</u>	<u>(838)</u>	<u>(1,088)</u>
Other financing uses				
Transfers out	-	(250)	(250)	-
Total other financing uses	<u>-</u>	<u>(250)</u>	<u>(250)</u>	<u>-</u>
Net change in fund balance	17,138	-	(1,088)	(1,088)
Fund balance, beginning of year	<u>185,173</u>	<u>185,173</u>	<u>185,173</u>	<u>-</u>
Fund balance, end of year	<u>\$ 202,311</u>	<u>\$ 185,173</u>	<u>\$ 184,085</u>	<u>\$ (1,088)</u>

WALTON COUNTY, GEORGIA

**DA FORFEITURE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 16,975	\$ 16,975	\$ 9,408	\$ (7,567)
Interest income	2,169	2,395	1,222	(1,173)
Other revenue	1,895	10,169	-	(10,169)
Total revenues	<u>21,039</u>	<u>29,539</u>	<u>10,630</u>	<u>(18,909)</u>
Expenditures:				
Current				
Judicial	21,039	79,676	67,889	11,787
Total expenditures	<u>21,039</u>	<u>79,676</u>	<u>67,889</u>	<u>11,787</u>
Deficiency of revenues under expenditures	-	(50,137)	(57,259)	(7,122)
Other financing uses				
Transfers out	-	(8,500)	(8,499)	1
Total other financing uses	<u>-</u>	<u>(8,500)</u>	<u>(8,499)</u>	<u>1</u>
Net change in fund balance	-	(58,637)	(65,758)	(7,121)
Fund balance, beginning of year	<u>146,154</u>	<u>146,154</u>	<u>146,154</u>	<u>-</u>
Fund balance, end of year	<u>\$ 146,154</u>	<u>\$ 87,517</u>	<u>\$ 80,396</u>	<u>\$ (7,121)</u>

WALTON COUNTY, GEORGIA

**FORFEITED FEDERAL DRUG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 12,200	\$ 12,200	\$ 12,195	\$ (5)
Interest income	3	3	3	-
Total revenues	<u>12,203</u>	<u>12,203</u>	<u>12,198</u>	<u>(5)</u>
Expenditures:				
Current				
Public safety	<u>12,203</u>	<u>12,203</u>	<u>6,726</u>	<u>5,477</u>
Total expenditures	<u>12,203</u>	<u>12,203</u>	<u>6,726</u>	<u>5,477</u>
Net change in fund balance	-	-	5,472	5,472
Fund balance, beginning of year	<u>1,304</u>	<u>1,304</u>	<u>1,304</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,304</u>	<u>\$ 1,304</u>	<u>\$ 6,776</u>	<u>\$ 5,472</u>

WALTON COUNTY, GEORGIA

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Sales taxes	\$ 11,636,158	\$ 10,765,219	\$ 9,107,399	\$ (1,657,820)
Intergovernmental revenue	-	-	119,428	119,428
Interest income	144,592	144,592	16,944	(127,648)
Total revenues	<u>11,780,750</u>	<u>10,909,811</u>	<u>9,243,771</u>	<u>(1,666,040)</u>
Expenditures:				
Debt service:				
Principal retirement	10,135,132	10,135,132	9,944,065	191,067
Interest and fiscal charges	2,506,601	2,506,601	2,469,790	36,811
Total expenditures	<u>12,641,733</u>	<u>12,641,733</u>	<u>12,413,855</u>	<u>227,878</u>
Deficiency of revenues under expenditures	<u>(860,983)</u>	<u>(1,731,922)</u>	<u>(3,170,084)</u>	<u>(1,438,162)</u>
Other financing sources				
Transfers in	830,233	1,701,172	1,464,085	(237,087)
Total other financing sources	<u>830,233</u>	<u>1,701,172</u>	<u>1,464,085</u>	<u>(237,087)</u>
Net change in fund balance	(30,750)	(30,750)	(1,705,999)	(1,675,249)
Fund balance, beginning of year	<u>6,964,914</u>	<u>6,964,914</u>	<u>6,964,914</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,934,164</u>	<u>\$ 6,934,164</u>	<u>\$ 5,258,915</u>	<u>\$ (1,675,249)</u>

WALTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS -
2001 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Judicial administration building	\$ 17,785,000	\$ 16,714,053	\$ 15,905,672	\$ 24,436	\$ 15,930,108
Jail addition	9,938,000	9,112,766	8,962,082	1,000	8,963,082
Recreation facilities	7,660,000	6,925,233	6,925,236	-	6,925,236
Road Projects	8,317,000	4,865,675	4,234,682	-	4,234,682
Total 2001 SPLOST	<u>\$ 43,700,000</u>	<u>\$ 37,617,727</u>	<u>\$ 36,027,672</u>	<u>\$ 25,436</u>	<u>\$ 36,053,108</u>

WALTON COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS -
2007 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Walton County					
E911 towers and radio	\$ 11,000,000	\$ 11,000,000	\$ 9,844,346	\$ 38,588	\$ 9,882,934
Water and sewer improvements	12,500,000	12,500,000	2,445,498	4,823,726	7,269,224
Roads and bridges	18,400,000	18,400,000	6,895,473	2,661,923	9,557,396
Parks and recreation facilities	15,400,000	15,400,000	6,705,649	-	6,705,649
Public safety improvements	12,200,000	12,200,000	3,518,304	919,021	4,437,325
Senior citizens center upgrades	1,000,000	1,000,000	272,305	2,283	274,588
Animal control	700,000	700,000	124,337	142,982	267,319
Total Walton County	<u>71,200,000</u>	<u>71,200,000</u>	<u>29,805,912</u>	<u>8,588,523</u>	<u>38,394,435</u>
City of Monroe					
Transportation, drainage and sidewalks	9,136,000	9,136,000	3,481,331	993,095	4,474,426
Public safety improvements	2,500,000	2,500,000	-	-	-
Solid waste improvements	1,500,000	1,500,000	-	-	-
Water and sewer improvements	4,060,000	4,060,000	-	-	-
Airport improvements	1,500,000	1,500,000	-	-	-
Electric, CATV and fiber improvements	1,500,000	1,500,000	-	-	-
Total City of Monroe	<u>20,196,000</u>	<u>20,196,000</u>	<u>3,481,331</u>	<u>993,095</u>	<u>4,474,426</u>
City of Loganville					
Transportation, drainage and sidewalks	4,212,000	4,212,000	970,732	600,836	1,571,568
Water and sewer upgrades	2,520,000	2,520,000	-	-	-
Total City of Loganville	<u>6,732,000</u>	<u>6,732,000</u>	<u>970,732</u>	<u>600,836</u>	<u>1,571,568</u>
City of Social Circle					
Transportation, drainage and sidewalks	3,536,000	3,536,000	2,354,784	578,360	2,933,144
Public safety improvements	1,500,000	1,500,000	-	-	-
Cemetery and park improvements	200,000	200,000	-	-	-
Total City of Social Circle	<u>5,236,000</u>	<u>5,236,000</u>	<u>2,354,784</u>	<u>578,360</u>	<u>2,933,144</u>
City of Walnut Grove					
Transportation, drainage and sidewalks	2,340,000	2,340,000	1,030,055	929,031	1,959,086
Public safety facilities	950,000	950,000	-	-	-
Library building project	450,000	450,000	-	-	-
Total City of Walnut Grove	<u>3,740,000</u>	<u>3,740,000</u>	<u>1,030,055</u>	<u>929,031</u>	<u>1,959,086</u>
City of Good Hope					
Transportation, drainage and sidewalks	468,000	468,000	102,521	128,505	231,026
Administration facility improvements	280,000	280,000	-	-	-
Total City of Good Hope	<u>748,000</u>	<u>748,000</u>	<u>102,521</u>	<u>128,505</u>	<u>231,026</u>
City of Jersey					
Transportation, drainage and sidewalks	234,000	234,000	-	4,870	4,870
Water and sewer improvements	140,000	140,000	-	-	-
Total City of Jersey	<u>374,000</u>	<u>374,000</u>	<u>-</u>	<u>4,870</u>	<u>4,870</u>
City of Between					
Administration facilities	374,000	374,000	-	-	-
Total City of Between	<u>374,000</u>	<u>374,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total 2007 SPLOST	<u>\$ 108,600,000</u>	<u>\$ 108,600,000</u>	<u>\$ 37,745,335</u>	11,823,220	<u>\$ 49,568,555</u>
				Transfer to Debt Service Fund for debt service payment	870,938
				Total per Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 12,694,158</u>

INTERNAL SERVICE FUNDS

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

Health Benefits Fund – to account for charges to other funds and for the payment of health insurance and the payment of claims.

Workers Compensation Fund – to account for charges to other funds and for the payment of the workers' compensation insurance and claims.

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2010**

	<u>Health Benefits</u>	<u>Workers Compensation</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 44,030	\$ 66,205	\$ 110,235
Investments	442,045	-	442,045
Accounts receivable	138,848	-	138,848
Interest receivable	3	-	3
Due from other funds	464,735	644,111	1,108,846
Prepays	2,273	92,478	94,751
Total assets	<u>1,091,934</u>	<u>802,794</u>	<u>1,894,728</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	276	12,649	12,925
Claims payable - current portion	1,091,658	441,548	1,533,206
Total current liabilities	<u>1,091,934</u>	<u>454,197</u>	<u>1,546,131</u>
NONCURRENT LIABILITIES			
Claims payable - long-term portion	-	348,597	348,597
Total long term liabilities	-	348,597	348,597
Total liabilities	<u>1,091,934</u>	<u>802,794</u>	<u>1,894,728</u>
NET ASSETS			
Unrestricted	-	-	-
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Health Benefits</u>	<u>Workers Compensation</u>	<u>Total</u>
OPERATING REVENUES			
Charges to other funds	\$ 6,990,040	\$ 1,285,195	\$ 8,275,235
Total operating revenues	<u>6,990,040</u>	<u>1,285,195</u>	<u>8,275,235</u>
OPERATING EXPENSES			
Administrative	522,860	-	522,860
Claims	6,276,779	702,317	6,979,096
Fiduciary fees	1,516	750	2,266
Insurance	25,206	178,353	203,559
Total operating expenses	<u>6,826,361</u>	<u>881,420</u>	<u>7,707,781</u>
Operating income	<u>163,679</u>	<u>403,775</u>	<u>567,454</u>
NONOPERATING REVENUES			
Interest income	16,049	46	16,095
Total nonoperating revenues	<u>16,049</u>	<u>46</u>	<u>16,095</u>
Change in net assets	179,728	403,821	583,549
NET ASSETS (DEFICIT), beginning of year	<u>(179,728)</u>	<u>(403,821)</u>	<u>(583,549)</u>
NET ASSETS, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Health Benefits</u>	<u>Workers Compensation</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund activity	\$ 6,981,151	\$ 669,024	\$ 7,650,175
Payments to suppliers	(6,769,729)	(669,775)	(7,439,504)
Net cash provided by (used in) operating activities	<u>211,422</u>	<u>(751)</u>	<u>210,671</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	(187,872)	-	(187,872)
Interest received	16,199	46	16,245
Net cash provided by (used in) investing activities	<u>(171,673)</u>	<u>46</u>	<u>(171,627)</u>
Net increase (decrease) in cash and cash equivalents	39,749	(705)	39,044
Cash and cash equivalents:			
Beginning of year	<u>4,281</u>	<u>66,910</u>	<u>71,191</u>
End of year	<u>\$ 44,030</u>	<u>\$ 66,205</u>	<u>\$ 110,235</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 163,679	\$ 403,775	\$ 567,454
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Decrease in accounts receivable	455,846	-	455,846
Increase in due from other funds	(464,735)	(616,171)	(1,080,906)
Increase in prepaids	(177)	(6,602)	(6,779)
Decrease in accounts payable	(111)	(1,320)	(1,431)
Increase in claims payable	56,920	219,567	276,487
Net cash provided by (used in) operating activities	<u>\$ 211,422</u>	<u>\$ (751)</u>	<u>\$ 210,671</u>

AGENCY FUNDS

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

Tax Commissioner - to account for the collection of all property taxes which are collected and disbursed to the County and other government units.

Sheriff - to account for collection of cash bonds, fines, forfeitures and other fees which are disbursed to other parties.

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

Clerk of Superior Court
Probate Court
Magistrate Court
Juvenile Court

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2010**

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Juvenile Court	Sheriff	Total
Cash and cash equivalents	\$ 822,600	\$ 1,355,253	\$ 50,727	\$ 35,280	\$ 990	\$ 5,959	\$ 2,270,809
Taxes receivable	3,418,324	-	-	-	-	-	3,418,324
Total assets	\$ 4,240,924	\$ 1,355,253	\$ 50,727	\$ 35,280	\$ 990	\$ 5,959	\$ 5,689,133
LIABILITIES							
Due to others	\$ 822,600	\$ 1,355,253	\$ 50,727	\$ 35,280	\$ 990	\$ 5,959	\$ 2,270,809
Uncollected taxes	3,418,324	-	-	-	-	-	3,418,324
Total liabilities	\$ 4,240,924	\$ 1,355,253	\$ 50,727	\$ 35,280	\$ 990	\$ 5,959	\$ 5,689,133

COMPONENT UNIT – DEVELOPMENT AUTHORITY

WALTON COUNTY, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - DEVELOPMENT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 237,033
Payments to suppliers	(113,600)
Payments to employees	(111,157)
Net cash provided by operating activities	<u>12,276</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisitions of capital assets	(9,085)
Net cash used in capital and related financing activities	<u>(9,085)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	3,718
Net cash provided by investing activities	<u>3,718</u>

Net increase in cash and cash equivalents 6,909

Cash and cash equivalents:

Beginning of year	<u>204,107</u>
End of year	<u><u>\$ 211,016</u></u>

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 10,555
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,704
Change in assets and liabilities:	
Decrease in prepaids	1
Increase in accrued liabilities	16
Net cash provided by operating activities	<u><u>\$ 12,276</u></u>

COMPONENT UNIT – COMMISSION ON CHILDREN AND YOUTH

WALTON COUNTY, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - COMMISSION ON CHILDREN & YOUTH
JUNE 30, 2010**

ASSETS		
Cash		\$ 157,331
Due from primary government		<u>12,321</u>
Total assets		<u><u>\$ 169,652</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable		<u>\$ 1,378</u>
Total liabilities		<u>1,378</u>
FUND BALANCE		
Unreserved		<u>168,274</u>
Total liabilities and fund balance		<u><u>\$ 169,652</u></u>

WALTON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - COMMISSION ON CHILDREN & YOUTH
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Revenues	
Intergovernmental	\$ 157,750
Charges for services	<u>16,564</u>
Total revenues	<u>174,314</u>
Expenditures	
Health and welfare	<u>151,209</u>
Total expenditures	<u>151,209</u>
Net change in fund balance	23,105
Fund balance, beginning of year	<u>145,169</u>
Fund balance, end of year	<u><u>\$ 168,274</u></u>