

WALTON COUNTY, GEORGIA

Financial Statements

**For the Fiscal Year Ended
June 30, 2005**

WALTON COUNTY, GEORGIA
Financial Statements
For the Fiscal Year Ended June 30, 2005

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INTRODUCTORY SECTION

WALTON COUNTY, GEORGIA

Principal Officials

Board of Commissioners

2005

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

Other Elected Officials

Superior Court Judge	Marvin Sorrells John Ott Samuel Ozburn Horace Johnson Gene Benton
District Attorney	Ken Wynne
Chief Magistrate Judge	Mike Burke
Clerk of Superior Court	Kathy Trost
Coroner	Craig League
Probate Judge	Greg Adams
Sheriff	Joe Chapman
Tax Commissioner	Patricia Malcom

FINANCIAL SECTION

Treadwell, Tamplin & Co.

Certified Public Accountants

A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Walton County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Walton County, Georgia as of and for the year ended June 30, 2005, 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 or the Walton County Water & Sewerage Authority, which represent 94% and 88%, respectively, of the assets and revenues of the component unit columns. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Walton County Health Department and the Walton County Water & Sewerage Authority 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 basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

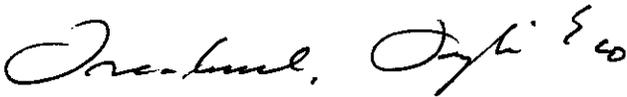
In our opinion, based on our audit and the report of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Walton County, Georgia as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity with generally accepted accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2006 on our consideration of Walton County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, Retirement Plan – Schedule of Funding Progress on pages I-XII and page 39 is not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walton County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditure of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The accompanying schedule of projects constructed with special sales tax proceeds is presented for purposes of additional analysis as required by Georgia law, and is also not a required part of the financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Treadwell, Tamplin & Co., CPA's
April 28, 2006



WALTON COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005

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, 2005. Please read it in conjunction with the County's financial statements, which begin on page 1 and the Notes to the Financial Statements, which begin on page 16. Additional information about the County is also provided in the Statistical Section, which begins on page 76.

FINANCIAL HIGHLIGHTS

- The County's net assets totaled \$85.8 million for its governmental and business-type activities, an *increase* of \$9 million over the previous fiscal year resulting from a decrease in short term and long term payables.
- Total combined revenues for governmental and business-type activities were \$50.8 million, an *increase* of approximately \$450,000 over the previous fiscal year.
- Overall expenses were \$41.8 million, of which governmental activities were \$38.8 and business-type activities were \$3.0 million, an *increase* of \$1.95 million.
- As of June 30, 2005, governmental activities' expenses exceeded program revenue, resulting in the use of \$29.1 million in general revenues (primarily taxes).
- In the County's business-type activities, revenues were \$2.0 million and expenses were \$3.0 million, for an operating loss of approximately \$1.0 million for 2005. This compares with operating losses of \$1.2 million for the prior fiscal year. Operating losses for the County's business-type activities, Solid Waste & Recycling Operations and Emergency Medical Services, are offset by the use of general revenues.
- The General Fund resources available for appropriation were \$852,729 *more* than originally budgeted, and expenditures were \$562,957 *less* than originally budgeted.
- The combined fund balance for governmental funds as of June 30, 2005 was \$12.7 million, of which the Special Local Option Sales Tax (SPLOST) Capital Projects Fund comprised \$4.5 million, the General Fund \$6.9 million, and other governmental funds (special revenue, capital projects and debt service) the remaining \$1.3 million.
- The unreserved fund balance of \$6.9 million in the General Fund was an *increase* of \$1 million from the prior fiscal year. The fund balance in the Special Purpose Local Option Sales Tax Fund had and expected \$5.3 million decrease resulting from the use of bond proceeds for the construction of a jail addition, a new county administration buildings, and parks and recreation projects. As of June 30, 2005 the jail and administration building were complete and in use. The remaining SPLOST funds will be used to complete parks and recreation projects and road projects.
- The Walton County Board of Commissioners received the authority to reorganize the Walton County Water and Sewerage Authority. As passed in Senate Bill 333 and signed by the Governor of the State of Georgia on April 15, 2005, "the [Walton County Water and Sewerage] Authority shall exercise its powers with the consent of the Board of Commissioners of Walton County". The bill authorized the County to lease the assets of the Authority and transfer in the Authority's employees. In essence, the operations of the Water and Sewerage Authority will become a department of the County, while the

Authority remains for debt service purposes. The goal of this reorganization was to allow for better planning for infrastructure needs demanded by the rapid growth of the County, for the planning and construction of a reservoir, and for close coordination of the expansion of the sewerage system with the planning for commercial and business development. The financial information for the Water and Sewerage Authority is presented in Exhibits K & L on pg. 13 along with the other component units of the County.

USING THIS ANNUAL REPORT

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

Government-wide Reporting:

The Statement of Net Assets and the Statement of Activities

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

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

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

- *Governmental activities*—Most of the County's basic services are reported here, including the public safety, public works, judicial, planning, development and parks departments, as well as general administration. Property taxes, fees, fines, and state and federal grants finance most of these activities.
- *Business-type activities*—The County charges a fee to customers to help it cover the cost of certain services it provides. The County's Emergency Medical Services as well as Solid Waste and Recycling Operations are reported here.
- *Component units*—The County includes 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. Financial Statements for the County's component units are found beginning on page 13.

Reporting the County's Most Significant Funds

Fund Financial Statements

Our analysis of the County's major funds begins on page VII. The fund financial statements begin on page 4 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required by State law and by bond covenants. However, the County establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Justice). The County's two kinds of funds—*governmental and proprietary*—use different accounting approaches.

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

The County as Trustee

Reporting the County's Fiduciary Responsibilities

- *Fiduciary funds*—these funds are used to account for assets held for others. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Assets on page 15 and Statement of Changes beginning on page 7369. These agency funds' balances are due to other funds and others as of the fiscal year end. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

NET ASSETS:

The County's *combined* net assets increased \$9 million from a year ago—from \$76.8 million to \$85.8 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County's governmental and business-type activities.

Table 1
Net Assets
(000's Omitted)

	Governmental		Business-type		Total Primary	
	2005	2004	2005	2004	2005	2004
Assets:						
Current assets	\$ 17,040	\$ 24,161	\$ 424	\$ 364	\$ 17,465	\$ 24,525
Restricted assets-non current	-	-	-	-	-	-
Capital assets-net	83,796	78,197	1,029	910	84,824	79,107
Other assets	3,375	3,375	-	-	3,375	3,375
Total assets	104,211	105,733	1,453	1,274	105,664	107,007
Liabilities:						
Long-term debt outstanding	17,315	24,530	-	-	17,315	24,530
Other liabilities	2,403	5,496	191	184	2,594	5,680
Total liabilities	19,718	30,026	191	184	19,909	30,210
Net Assets:						
Invested in capital assets, net of debt	79,560	33,205	1,029	910	80,589	34,115
Restricted	542	514	-	-	542	514
Unrestricted	4,391	41,988	233	180	4,624	42,168
Total net assets	\$ 84,493	\$ 75,707	\$ 1,262	\$ 1,090	\$ 85,755	\$ 76,797

Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—were \$4.3 million at the end of this year, as compared with \$41.9 million at the end of the prior year. The \$37.6 million decrease in unrestricted net assets was due to the completion and capitalization of the judicial/administrative building and the jail addition.

The largest portion of the County's net assets reflected investments in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks) less any debt used to acquire those assets that remained outstanding. The County used these capital assets to provide services to its citizens; therefore, these assets were not available for future spending.

Included in the County's combined current assets of \$17 million for governmental activities is \$5.5 million of Special Purpose Local Option Sales Tax revenue. Proceeds from the SPLOST Bonds issued December 21, 2001 and SPLOST revenues were used to complete construction of a County administration and judicial facility, additions to the County jail, and for park and recreation facilities. The jail, administration building, and several of the park projects were completed and in use during FY 2005. The County is currently developing the 59-acre park located in the City of Monroe, which was donated to the County during the fiscal year 2004. 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.

The total net assets of the business-type activities increased slightly (\$1.3 million compared to \$1.1 million) in 2005. Such increases, however, cannot be used to make up for any decrease in governmental activities. These net assets can only be used to finance the continuing operations of the Solid Waste & Recycling Operations and the Emergency Medical Services.

The County reported positive balances in all categories of net assets for FY 2005, 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:

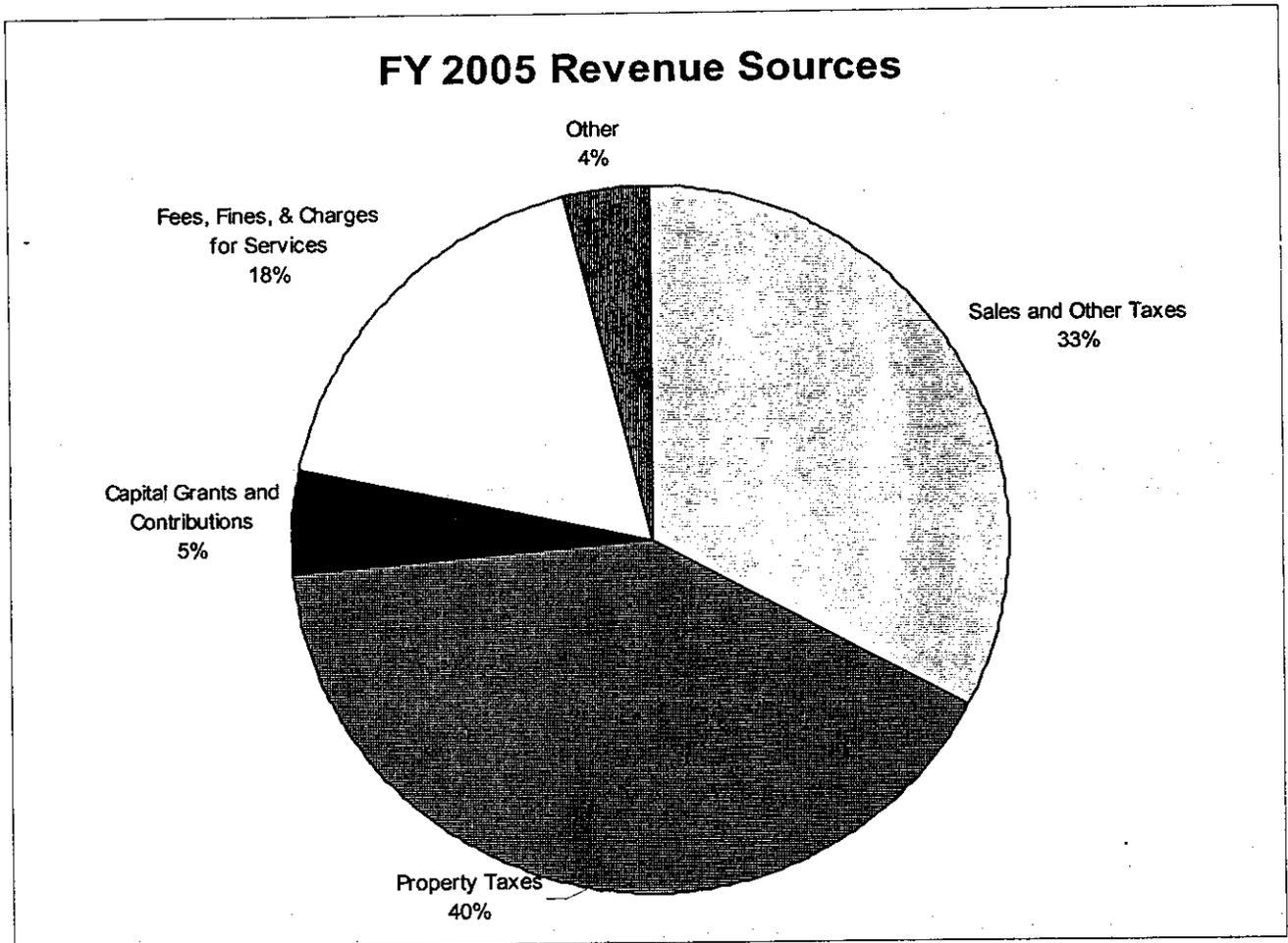
The County's total change in net assets was \$8.8 million from the prior fiscal year as a result of its governmental activities and \$172,022 as a result of its business-type activities.

The imposition of a 1% Special Local Option Sales Tax beginning on January 1, 2002, which raised \$8 million during FY 2005 and \$7.9 million during FY 2004, resulted in a significant increase again in Other Tax Revenues from the prior fiscal year. As of June 30, 2005, the 2002-2006 SPLOST has raised a cumulative total of \$24 million.

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

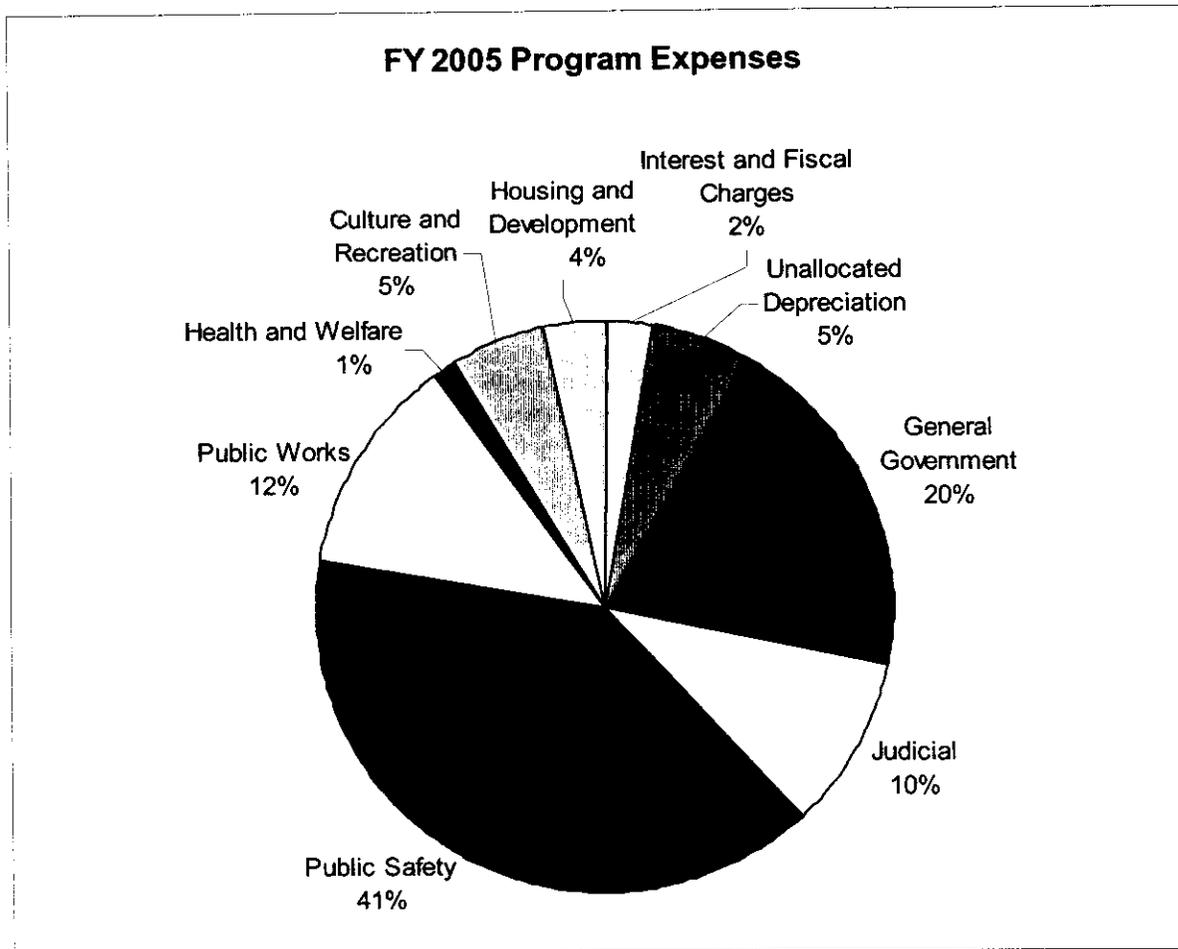
	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues						
Program revenues:						
Charges for services	\$ 6,941	\$ 6,721	\$ 2,005	\$ 1,380	\$ 8,946	\$ 8,101
Operating grants	300	398	-	34	300	432
Capital grants	2,417	5,792	-	-	2,417	5,792
General revenues:						
Property taxes	20,819	19,410	-	-	20,819	19,410
Other taxes	16,605	15,374	-	-	16,605	15,374
Franchise fees	130	116	-	-	130	116
Investment earnings	446	364	1	1	447	365
Gain /(loss) and other	1,058	777	106	8	1,164	785
Total revenues	48,716	48,952	2,112	1,423	50,828	50,375
Program expenses						
General government	7,785	7,624	-	-	7,785	7,624
Judicial	3,708	3,413	-	-	3,708	3,413
Public Safety	15,418	14,818	2,120	1,647	17,538	16,465
Public Works	4,823	4,527	902	957	5,725	5,484
Health and welfare	502	494	-	-	502	494
Culture and recreation	2,079	1,786	-	-	2,079	1,786
Housing and development	1,411	1,289	-	-	1,411	1,289
Interest and fiscal charges	967	1,231	-	-	967	1,231
Unallocated depreciation	2,111	2,087	-	-	2,111	2,087
Total expenses	38,804	37,269	3,022	2,604	41,826	39,873
Increase (decrease) in net assets before transfers	9,912	11,683	(911)	(1,182)	9,002	10,502
Transfers	(1,082)	(1,187)	1,082	1,187	-	-
Increase (decrease) in net assets	8,830	10,496	172	6	9,002	10,502
Net assets - beginning	75,707	65,149	1,090	1,084	76,797	66,233
Prior period adjustment	(43)	62	-	-	(43)	62
Net assets - beginning, restated	75,664	65,211	1,090	1,084	76,754	66,295
Net assets - ending	\$ 84,494	\$ 75,707	\$ 1,262	\$ 1,090	\$ 85,756	\$ 76,797

As can be seen from the chart below, approximately 40% of the County's combined total revenue was provided by property taxes and 33% by sales and other taxes. The County charges fees for services as varied as housing stray animals, disposal of non-recyclables, providing certified copies of documents, and issuing building permits. Additionally, the Courts (Superior, Probate, Magistrate & Juvenile) impose fines for violations of laws and ordinances. As a whole, fees, fines, and charges for services provided 18% of the County's revenue. The remaining 9% was mostly from capital and operating grants, contributions, and investment income.



The County's major expenses, at 41% of the combined total, were clearly in the area of providing services to ensure the public safety. Public Safety includes law enforcement, jail operations, fire protection, E-911, coroner, animal control, and emergency management. Expenditures for the Culture and Recreation program, which began August 2002, were consistent with FY 2004 in only requiring 5% of total combined expenses. This very successful countywide park and recreation program involves several thousand youth in softball, basketball, cheerleading, football, and soccer activities.

The County continually assesses the condition of its infrastructure and engages in systematic preventive maintenance as well as improvements on the 700 miles of county-maintained roads, which includes 9.13 miles from eighteen new subdivision streets acquired by the County. The County resurfaced 23.08 miles of roads in FY 2005. Resurfacing costs were expended in the Public Works Program, which were 12% of program expenses.



The General Fund subsidized EMS \$711,175 and Solid Waste \$476,943, which is up 19% from FY 2004 for EMS and down 19% for Solid Waste. In the EMS Fund, revenues increased by 58% while expenditures increased only 29% resulting in a 21% improvement in the bottom line for operations. In the Solid Waste Fund, revenues increased by 7% while expenditures decreased 6% resulting in a 13% improvement in the bottom line for operations. Capital Assets, net of depreciation, increased \$168,000 for EMS and decreased \$48,655 for Solid Waste, which is a combined net increase of \$119,359 for capital assets in business-type activities. The improved bottom lines, along with the net increase in capital assets resulted in a \$172,022 increase in net assets for business-type activities.

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 2005 fiscal year with a combined fund balance of \$12.7 million for governmental funds. Of this, virtually all was unreserved. A small amount in the current fiscal year was reserved for inventories, encumbrances, and non-current assets.

Major Funds:

General Fund

The General Fund is the operating fund of the County. At the end of fiscal year 2005, the unreserved fund balance was \$6.8 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 18.7% of that total, up from 17.5% in the previous year.

The fund balance in the general fund increased \$1 million during FY 2005. Tax revenues from new development and 2004 tax digest reassessments provided the bulk of the increase in revenues. The County millage rate stayed the same for 2004 property taxes received in FY 2005. 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 Exhibit 1, pages 40-4636-42.

Special Local Option Sales Tax (SPLOST) Capital Projects Fund

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

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

In addition, the voters approved the use of SPLOST revenues that exceed debt service requirements on the bonds for up to:

- \$8.3 million for road and bridge improvements

All bond proceeds were expended as of June 30, 2005. The judicial building was completed with a total cost of \$15.1 million. The Loganville and Social Circle Parks were completed, as well as the additions to the County jail. As stated previously, Monroe-Felker Park was a work in progress at year-end with SPLOST proceeds and interest earned being utilized for completion. As the economy improved slightly in FY 2005, Special Purpose Local Option Sales Tax proceeds were up \$900,000. The utilization of bond proceeds caused the SPLOST fund balance to decrease to \$4.5 million, which was expected since the 2002-2006 SPLOST ends December 31, 2006. Additional information on the SPLOST Capital Projects Fund can be found in Exhibit 2, page 47.

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. The Debt Service Fund had a fund balance of \$541,495.

Other Governmental Funds:

Combined assets for the other governmental funds, listed below, were approximately \$836,000, liabilities approximately \$91,000, and the unreserved fund balance was slightly more than \$744,000 for the year ended June 30, 2005. These totals are a combination of the following:

Special Revenue Funds

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

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

Capital Projects Funds

The governmental capital projects funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. The County's sole construction project not accounted for in the Special Local Option Sales Tax fund was a new senior citizens center in Monroe, which was completed in FY 2005. This fund had a fund balance of \$100.

Proprietary Funds

The County reports two business-type activities as proprietary funds: Solid Waste and Recycling Operations and Emergency Medical Services. The County's shortfall in its Solid Waste & Recycling Operations contributed approximately \$530,000, (or 52 %) to the business-type activities operating loss, while Emergency Medical Services contributed the remaining \$487,000, (or 48%). This was an improvement of \$30,000 from the prior year for Solid Waste and Recycling and a \$135,000 improvement for EMS. The County strives to improve efficiencies in an effort to continue this trend. The County began providing Emergency Medical Services on July 1, 2001. Operating losses in these two business-type activities were offset by the use of general revenues.

The County's two internal service funds for employee health care and worker's compensation claims had assets of \$2.1 million, liabilities of approximately \$556,000, and unreserved fund balances totaling \$1.6 million.

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

Fiduciary Funds

These agency funds are used to account for resources held for the benefit of parties outside the government; therefore assets are equal to liabilities. Additional information is available on pages 73-75 of the Combining and Individual Fund Statements and Schedules Section. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its

operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary funds assets and liabilities were approximately \$430,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County's final revenue and expenditure budgets increased approximately \$1 million. The increase was possible because of additional revenues. Local option sales and use taxes made up for 45% of the increase; additionally, insurance premium taxes, motor vehicle taxes, commissions on taxes, and some fines and fees came in higher than originally projected.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level. The most significant budget is that of the General Fund. The Board of Commissioners amends this budget throughout the fiscal year.

The most significant increase in budgeted line items was for expenses related to Jail operations for housing prisoners until the aforementioned 284-bed SPLOST funded jail addition could be completed. By year-end this line item was \$377,000 greater than the original budget. Through conservative management and the budgetary relief provided by the new jail addition, the remaining overall law enforcement budgets were maintained.

Other budgetary increases were a result of increases in energy and gasoline costs, increases in insurance claims, and indigent defense costs. The County increased the budget for Indigent Defense costs approximately \$82,000, mostly due to one pending death penalty case, and an increase in insurance claims costs required a \$40,000 increase to the Risk Management budget. Participation in the Walton County Recreation Program increased tremendously for FY 2005. In order to provide uniforms, equipment, and contract labor to handle the additional teams, the County amended the Recreation budget unit \$47,600. As the use of the parks increased, utility costs increased and more resources were needed to maintain the parks; therefore, the County increased the budget for Parks \$80,650.

Most departments that utilized vehicles and equipment required a budget increase for gasoline. Other departments such as Government Buildings and the Fire Departments also required budget amendments for the unexpected surge in energy costs. The total impact of increased gasoline and energy costs is estimated at \$250,000.

Other budget amendments are a result of items purchased by Special Revenue Funds, such as vehicles and computers, through the General Fund so that the County ensures that proper purchasing procedures are followed, and all capital assets are recorded.

The actual revenues and expenditures resulted in a \$1 million increase in fund balance on the GAAP basis. The Board of Commissioners exerts considerable control over expenditures during the course of the fiscal year and continually seeks more efficient and cost effective means for providing services to the citizens of Walton County.

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, 2005 amounted to \$85 million, net of \$109 million in 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, increased \$5.6 million for governmental activities and approximately \$119,000 for business-type activities. Depreciation expense for the governmental activities for the period was \$4.2 million, of which \$2.1 million was for infrastructure. Additional information on Capital Assets can be found in Note 4 of the *Notes to the Financial Statements*, beginning on page 23.

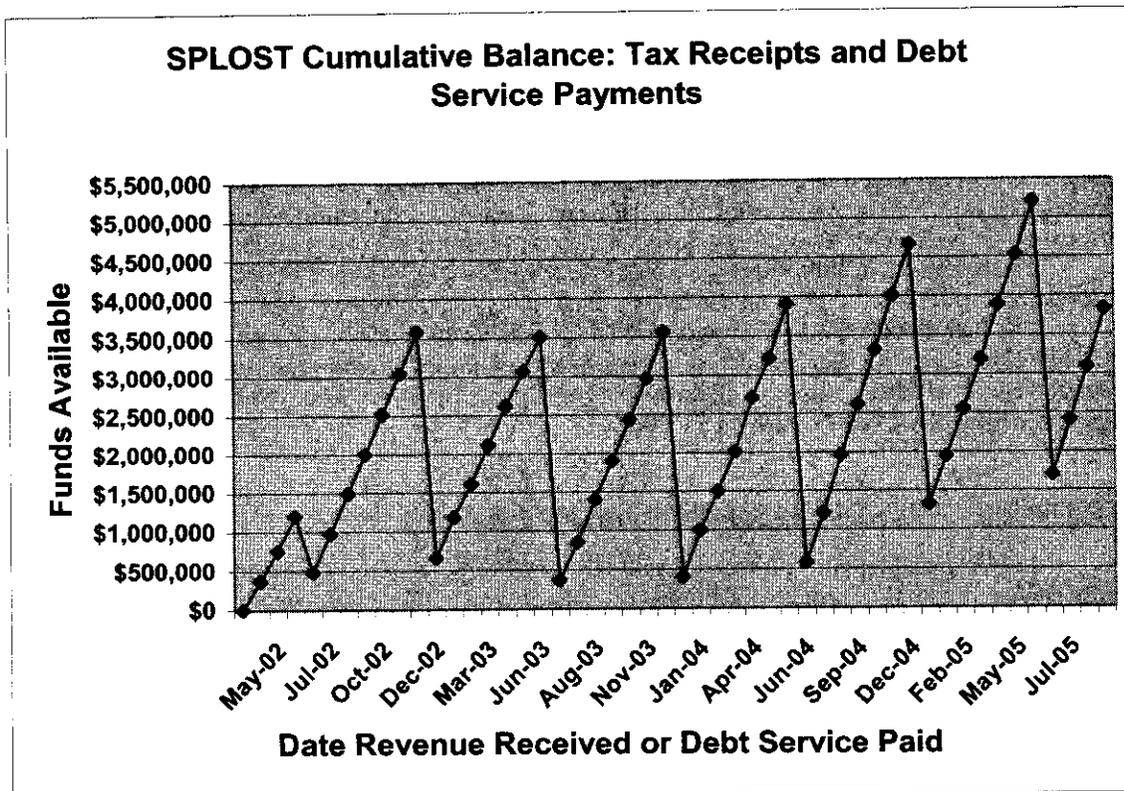
Long-term Debt

As of June 30, 2005, Walton County had \$17.3 million in outstanding debt principal, of which \$7.9 million was due within one year. Of the debt due within one year, \$7 million represented principal payments on the \$27,880,000 General Obligation Special Local Option Sales Tax Bonds issued December 21, 2001. Standard and Poor's assigned this bond issue a "AAA" rating. As previously stated, the 1% SPLOST generated \$24 million from January 1, 2002 through June 30, 2005. The following graph

Board of Commissioners of
Walton County, Georgia
June 30, 2005

X

illustrates the coverage of the semi-annual debt service payments by Special Local Option Sales Tax receipts. Note that the County receives SPLOST revenue two months after it is earned (collected from tax payers). Each dip in the chart reflects the payment of principal and interest. The following chart shows that sales tax receipts were covering the debt service demands, and that the available funds after debt service were trending up.



The County issued no new bonds during the fiscal year.

The Board of Commissioners sets rigorous standards for sound financial management of the County, regularly considering the needs of the community in light of the costs to provide for those needs and the various sources of funding available. County employees received a 3% merit increase during FY 2005.

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. Additional information about the County's long-term debt can be found in Note 6 of the *Notes to the Financial Statements*, beginning on page 26.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2005 budget, tax rates, and fees that will be charged for business-type activities. One of those factors was the economy. Economic activity in Walton County followed regional and national trends. Retail sales and related taxes increased 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 relatively

constant.

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

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

The reorganization of the Walton County Water and Sewage Authority, approved by the State of Georgia Legislature on April 15, 2005, was pursued in order for the County to plan and secure the future water service and supply requirements for the Citizens of Walton County. The County staff will be 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.

Oxford Industries, Inc., a plant that employed Walton County Citizens for many years, is planning to close in FY 2006. Since a new manufacturing company will be taking its place, the closing of this company should not have a large impact on unemployment for Walton County. Real property taxes will remain constant in FY 2006 for this location. However, the new manufacturing company will have less personal property, which will result in a decrease in personal property taxes from this physical location.

The citizens of Walton County are looking forward to a new Home Depot opening in FY 2006, which will bring additional sales and use taxes to the County and increase personal and real property taxes.

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 plans to update the Comprehensive Land Use Plan early in FY 2007.

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, or call 770-266-1726.

Basic Financial Statements

WALTON COUNTY, GEORGIA
Statement of Net Assets
June 30, 2005

	<u>Primary Government</u>			<u>Total Component Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
Assets				
Cash	\$ 5,305,757	\$ -	\$ 5,305,757	\$ 4,750,581
Investments, plus accrued interest	8,753,074	-	8,753,074	1,189,180
Accounts receivable, net	9,742	423,434	433,176	491,508
Taxes receivable, net	407,409	-	407,409	-
Unbilled revenue	-	-	-	214,622
Internal balances	(14,055)	-	(14,055)	14,055
Due from other governments	2,395,682	-	2,395,682	25,746
Inventories and prepaid expenses	81,483	870	82,353	144,889
Deferred charges	101,358	-	101,358	-
Restricted assets - noncurrent	-	-	-	7,031,715
Capital assets, not depreciated	24,014,832	372,370	24,387,202	-
Capital assets, net	59,780,728	656,734	60,437,462	50,763,237
Other assets	3,375,000	-	3,375,000	2,150,839
Total assets	<u>104,211,010</u>	<u>1,453,408</u>	<u>105,664,418</u>	<u>66,776,372</u>
Liabilities				
Accounts payable	1,873,392	66,849	1,940,241	291,013
Salaries and benefits payable	345,990	124,355	470,345	-
Bond premium	119,506	-	119,506	-
Accrued interest	64,305	-	64,305	95,101
Liabilities payable from restricted assets	-	-	-	5,240,825
Long-term liabilities:				
Portion due or payable within one year:				
Bonds and notes payable	7,358,356	-	7,358,356	-
Capital leases	490,368	-	490,368	-
Compensated absences	86,077	-	86,077	-
Portion due or payable after one year:				
Bonds and notes payable	8,124,105	-	8,124,105	28,860,541
Capital leases	481,103	-	481,103	-
Compensated absences	774,692	-	774,692	-
Total liabilities	<u>19,717,894</u>	<u>191,204</u>	<u>19,909,098</u>	<u>34,487,480</u>
Net assets				
Invested in capital assets, net of related debt	79,560,401	1,029,104	80,589,505	21,637,249
Restricted for:				
Capital projects	100	-	100	-
Debt service	541,495	-	541,495	-
Other purposes	-	-	-	2,977,305
Unrestricted	4,391,120	233,100	4,624,220	7,674,338
Total net assets	<u>\$ 84,493,116</u>	<u>\$ 1,262,204</u>	<u>\$ 85,755,320</u>	<u>\$32,288,892</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, 2005

Activities:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities		Total
Governmental:								
General government	\$7,785,318	\$ 1,582,733	\$ 22,750	\$ 550	\$ (6,179,285)	\$ -	\$ -	
Judicial	3,708,367	1,898,061	64,701	-	(1,745,605)	-	(1,745,605)	
Public safety	15,418,106	1,973,865	194,303	17,999	(13,231,939)	-	(13,231,939)	
Public works	4,823,477	53,903	-	2,398,410	(2,371,164)	-	(2,371,164)	
Health and welfare	502,438	16,800	-	-	(485,638)	-	(485,638)	
Culture and recreation	2,079,353	260,442	17,878	-	(1,801,033)	-	(1,801,033)	
Housing and development	1,410,507	1,155,114	-	-	(255,393)	-	(255,393)	
Interest and fiscal charges	966,846	-	-	-	(966,846)	-	(966,846)	
Unallocated depreciation expense **	2,111,191	-	-	-	(2,111,191)	-	(2,111,191)	
Total governmental activities	38,805,603	6,940,918	299,632	2,416,959	(29,148,094)	-	(29,148,094)	
Business-type:								
Solid waste	902,279	372,049	-	-	(530,230)	(530,230)	(530,230)	
EMS	2,119,712	1,632,999	-	-	(486,713)	(486,713)	(486,713)	
Total business-type activities	3,021,991	2,005,048	-	-	(1,016,943)	(1,016,943)	(1,016,943)	
Component units:								
Walton Co. Dev. Authority	517,591	-	-	-	-	-	(517,591)	
Walton Co. Comm. on Children & Youth	61,223	-	68,346	-	-	-	7,123	
Walton Co. Water & Sewerage Authority	3,954,582	4,004,899	-	2,642,329	-	-	2,692,646	
Walton Co. Health Department	1,670,119	776,843	922,020	-	-	-	28,744	
Total component units	6,203,515	4,781,742	990,366	2,642,329	-	-	2,210,922	

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

WALTON COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2005

Activities:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
General revenues:							
Taxes							
Property taxes, levied for general purposes					20,819,352	-	20,819,352
Sales tax					13,470,177	-	13,470,177
Franchise fees					130,360	-	130,360
Other taxes					3,134,825	-	3,134,825
Intergovernmental revenues					1,046,455	-	1,046,455
Investment earnings					446,273	847	447,120
Miscellaneous					11,572	-	11,572
Gain on the sale of capital assets					-	-	-
Transfers					(1,082,117)	1,188,118	106,001
Total general revenues and transfers					37,976,897	1,188,965	39,165,862
Change in net assets					8,828,803	172,022	9,000,825
Net assets - beginning					75,706,946	1,090,182	76,797,128
Prior period adjustment					(42,633)	-	(42,633)
Net assets - beginning, restated					75,664,313	1,090,182	76,754,495
Net assets - ending					\$84,493,116	\$1,262,204	\$85,755,320

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

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

WALTON COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2005

	General Fund	Debt Service Fund	SPLOST Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 1,504,264	\$ -	\$ 2,996,118	\$ 795,323	\$ 5,295,705
Pooled cash and investments	3,766,125	-	2,471,833	-	6,237,958
Investments, plus accrued interest	-	605,801	-	-	605,801
Taxes receivable, net	407,409	-	-	-	407,409
Internal balances	2,163,138	-	-	3,255	2,166,393
Due from other governments	947,756	-	1,420,611	27,315	2,395,682
Due from others	-	-	-	9,742	9,742
Inventories	81,483	-	-	-	81,483
Total assets	\$ 8,870,175	\$ 605,801	\$ 6,888,562	\$ 835,635	\$ 17,200,173
Liabilities and fund balance					
Liabilities:					
Accounts payable	\$ 1,275,473	\$ -	\$ 197,907	\$ 46,136	\$ 1,519,516
Due to other funds	3,255	-	2,159,594	17,599	2,180,448
Due to others	-	-	-	14,280	14,280
Accrued interest	-	64,306	-	-	64,306
Salaries and benefits payable	418,637	-	-	13,430	432,067
Deferred revenue	320,586	-	-	-	320,586
Total liabilities	2,017,951	64,306	2,357,501	91,445	4,531,203
Fund balances:					
Reserved for:					
Inventories	81,483	-	-	-	81,483
Encumbrances	-	-	-	-	-
Noncurrent assets	1,074	-	-	-	1,074
Unreserved	6,769,667	541,495	4,531,061	-	11,842,223
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	744,090	744,090
Capital project funds	-	-	-	100	100
Total fund balances	6,852,224	541,495	4,531,061	744,190	12,668,970
Total liabilities and fund balance	\$ 8,870,175	\$ 605,801	\$ 6,888,562	\$ 835,635	\$ 17,200,173

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

WALTON COUNTY, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2005

Total *fund* balances for governmental funds (Exhibit C) \$ 12,668,970

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

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

Land	\$ 22,988,553	
Construction in progress	1,015,262	
Historical artifacts	11,000	
Land improvements, net of \$327,902 of accumulated depreciation	3,779,538	
Infrastructure, net of \$85,712,751 of accumulated depreciation	16,642,970	
Buildings and improvements, net of \$6,524,524 of accumulated depreciation	35,973,562	
Equipment, net of \$10,684,535 of accumulated depreciation	<u>3,384,659</u>	
Total capital assets		83,795,544

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

Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 320,605

Internal services funds are used by management to charge the costs of health insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets 1,579,770

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at June 30, 2005 are:

Certificates of participation	(1,215,000)	
Bonds and notes payable	(14,267,461)	
Capital leases	(971,471)	
Compensated absences	(774,693)	
Deferred amount on refunding	101,358	
Unamortized premiums	<u>(119,506)</u>	
Total long-term liabilities		<u>(17,246,773)</u>

Total net assets of governmental activities \$ 84,493,116

WALTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General Fund	Debt Service Fund	SPLOST Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 29,426,650	\$ -	\$ 8,094,133	\$ -	\$ 37,520,783
Licenses and permits	954,246	-	-	-	954,246
Intergovernmental revenue	178,900	-	-	932,256	1,111,156
Charges for services	3,562,602	-	-	106,338	3,668,940
Fines and forfeitures	1,298,472	-	-	146,553	1,445,025
Investment income	216,698	10,802	171,351	9,948	408,799
Contributions and donations	18,049	-	-	19,347	37,396
Miscellaneous	128,538	-	412	1,017,607	1,146,557
Total revenues	<u>35,784,155</u>	<u>10,802</u>	<u>8,265,896</u>	<u>2,232,049</u>	<u>46,292,902</u>
Expenditures					
Current:					
General government	5,734,106	693,963	465,034	473,670	7,366,773
Judicial	3,700,900	-	-	103,417	3,804,317
Public safety	13,271,491	-	1,616	1,582,500	14,855,607
Public works	4,638,879	-	-	-	4,638,879
Health and welfare	490,381	-	-	-	490,381
Culture and recreation	1,880,617	-	30,406	-	1,911,023
Housing and development	1,405,111	-	-	-	1,405,111
Debt service:					
Principal payments	-	7,170,823	-	-	7,170,823
Interest and fiscal charges	-	966,846	-	-	966,846
Capital outlay	-	-	6,245,063	599,392	6,844,455
Total expenditures	<u>31,121,485</u>	<u>8,831,632</u>	<u>6,742,119</u>	<u>2,758,979</u>	<u>49,454,215</u>
Excess of revenues over (under) expenditures	4,662,670	(8,820,830)	1,523,777	(526,930)	(3,161,313)
Other financing sources (uses)					
Transfers in	1,487,775	8,853,236	-	992,951	11,333,962
Transfers (out)	(5,130,785)	-	(6,847,175)	(437,469)	(12,415,429)
Total other financing sources (uses)	<u>(3,643,010)</u>	<u>8,853,236</u>	<u>(6,847,175)</u>	<u>555,482</u>	<u>(1,081,467)</u>
Net change in fund balances	1,019,660	32,406	(5,323,398)	28,552	(4,242,780)
Fund balances - beginning	5,832,564	509,089	9,854,459	758,271	16,954,383
Prior period adjustment	-	-	-	(42,633)	(42,633)
Fund balances - beginning, restated	<u>5,832,564</u>	<u>509,089</u>	<u>9,854,459</u>	<u>715,638</u>	<u>16,911,750</u>
Fund balances - ending	<u>\$ 6,852,224</u>	<u>\$ 541,495</u>	<u>\$ 4,531,061</u>	<u>\$ 744,190</u>	<u>\$ 12,711,603</u>

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

WALTON COUNTY, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Net Activities
For the Fiscal Year Ended June 30, 2005

Net change in *fund* balances - total governmental funds \$ (4,242,780)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$7,383,424) exceeded depreciation (\$4,180,572) in the current period. 3,202,852

In governmental funds, capital assets are not recorded in the fund. Thus, a disposal of an asset has no effect in the governmental fund, other than recording of the proceeds, if any, from the sale. However, the statement of activities recognizes a gain or loss related to the disposal of the asset. Thus, the change in net assets differs from the change in fund balance by the net basis (cost less accumulated depreciation) of the capital assets sold/disposed. (13,665)

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

Repayments:

To bond, certificate, and note holders	6,571,931	6,571,931
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Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. -

Capital lease payments are reported as expenditures in the governmental funds, but reduces the liability in the statement of net assets. 598,894

Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. 2,409,260

Internal service funds are used by management to charge the costs of health and workers' compensation insurance to individual funds. The net revenue of the internal service funds is reported with governmental activities. 262,378

Governmental funds defer all tax revenues not collected within 60 days of year end. However, the statement of activities uses the accrual method and, thus, the entire amount is recognized as revenue, regardless of the collection date. (22,720)

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

Compensated absences	49,824	
Amortization of debt premium and issuance costs	12,829	
		62,653

Change in net assets of governmental activities \$ 8,828,803

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

WALTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 29,075,890	\$ 29,762,107	\$ 29,426,650	\$ (335,457)
Licenses and permits	1,029,851	1,029,851	954,246	(75,605)
Intergovernmental revenue	156,705	171,607	178,900	7,293
Charges for services	3,297,142	3,424,645	3,562,602	137,957
Fines and forfeitures	1,155,327	1,274,726	1,298,472	23,746
Investment income	81,807	152,703	216,698	63,995
Contributions and donations	-	29	18,049	18,020
Miscellaneous	134,704	134,704	128,538	(6,166)
Total revenues	<u>34,931,426</u>	<u>35,950,372</u>	<u>35,784,155</u>	<u>(166,217)</u>
Expenditures				
Current:				
General government:				
Governing body	174,118	182,579	182,579	-
Clerk of commission	96,968	96,968	74,388	22,580
Commission chair	154,593	154,594	154,504	90
Board of elections/registrations	391,126	404,240	404,240	-
Financial administration	463,901	463,900	452,630	11,270
County attorney	150,000	190,072	190,072	-
Information technology	385,770	385,770	332,389	53,381
Human resources	260,481	260,481	243,862	16,619
Tax commissioner	569,786	573,568	573,568	-
Board of equalization	34,919	34,919	14,832	20,087
Tax assessor	718,916	718,916	689,897	29,019
Risk management	865,446	905,199	905,199	-
County facilities	1,429,453	1,429,453	1,419,580	9,873
Customer service	33,305	33,305	32,899	406
General administration fees	108,417	108,417	63,467	44,950
Judicial				
Superior court	509,369	608,040	608,040	-
Clerk of superior court	855,095	873,775	873,774	1
District attorney	546,895	571,572	571,572	-
Magistrate court	310,903	310,903	300,508	10,395
Probate court	432,783	439,135	439,135	-
Juvenile court	625,761	625,761	579,138	46,623
Public defender	356,444	356,444	328,733	27,711
Public safety				
Sheriff	728,145	728,145	650,787	77,358
Law enforcement administration	679,018	679,018	628,512	50,506
Criminal investigation	579,580	579,580	531,699	47,881
Uniformed patrol	2,380,219	2,380,219	2,217,707	162,512
Youth Investigation	509,122	509,122	498,522	10,600
Jail operations	3,792,791	4,224,949	4,224,949	-
Court services	1,005,453	1,059,933	1,059,933	-
Dispatcher	198,132	198,132	155,323	42,809
Fire administration	\$ 198,113	\$ 198,113	\$ 168,786	\$ 29,327

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

WALTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public safety				
Fire fighting	\$ 2,374,898	\$ 2,456,939	\$ 2,456,939	\$ -
Fire training	31,500	31,500	25,467	6,033
Stations and buildings	105,600	110,589	110,589	-
Coroner	32,084	42,289	42,289	-
Animal control	362,808	362,808	339,133	23,675
Emergency management	187,267	187,267	160,856	26,411
Public works				
Highways and streets administration	117,022	117,022	116,178	844
Roadways and walkways	3,416,730	3,455,339	3,455,339	-
Unpaved streets	650,000	650,000	146,258	503,742
Other maintenance	40,250	40,250	30,241	10,009
Bridges	100,000	-	-	-
Traffic engineering	716,148	716,148	575,899	140,249
Maintenance and shop	320,912	320,912	314,964	5,948
Health and welfare				
Health centers	260,216	260,216	254,021	6,195
Intergovernmental welfare payments	67,000	67,000	56,160	10,840
Other vendor payments	1,000	6,000	6,000	-
Community services	174,200	174,200	174,200	-
Culture and recreation				
Recreation	689,519	737,127	737,127	-
Park areas	833,340	913,990	913,990	-
Libraries	229,500	229,500	229,500	-
Housing and development				
Agricultural resources	139,400	139,400	136,524	2,876
Forest resources	49,731	49,731	47,701	2,030
Protective inspection	449,807	453,212	453,212	-
Planning and zoning	475,354	475,353	448,751	26,602
Code enforcement	91,506	93,410	93,410	-
Economic development	215,546	217,431	217,431	-
Other costs	8,082	8,082	8,082	-
Total expenditures	<u>31,684,442</u>	<u>32,600,937</u>	<u>31,121,485</u>	<u>1,479,452</u>
Excess of revenues over expenditures	3,246,984	3,349,435	4,662,670	1,313,235
Other financing sources (uses)				
Proceeds of general fixed asset dispositions	-	131,000	-	(131,000)
Transfers in	2,605,323	2,474,323	1,487,775	(986,548)
Transfers (out)	(6,040,748)	(5,854,736)	(5,130,785)	723,951
Total other financing sources (uses)	<u>(3,435,425)</u>	<u>(3,249,413)</u>	<u>(3,643,010)</u>	<u>(393,597)</u>
Net change in fund balances	(188,441)	100,022	1,019,660	919,638
Fund balance - beginning	<u>5,249,330</u>	<u>4,060,278</u>	<u>5,832,564</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,060,889</u>	<u>\$ 4,160,300</u>	<u>\$ 6,852,224</u>	<u>\$ 919,638</u>

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

WALTON COUNTY, GEORGIA
Statement of Net Assets
Proprietary Funds
June 30, 2005

	Business-type Activities			Governmental Activities
	Solid Waste Fund	EMS Fund	Total	Internal Service Funds
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 225,985
Investments	-	-	-	1,909,315
Accounts receivable	-	1,362,829	1,362,829	-
Allowance for uncollectibles	-	(939,395)	(939,395)	-
Inventory	870	-	870	-
Total current assets	<u>870</u>	<u>423,434</u>	<u>424,304</u>	<u>2,135,300</u>
Capital assets				
Land	372,370	-	372,370	-
Buildings	302,615	-	302,615	-
Machinery and equipment	1,041,108	471,992	1,513,100	-
	1,716,093	471,992	2,188,085	-
Less: accumulated depreciation	(992,175)	(166,806)	(1,158,981)	-
Net capital assets	<u>723,918</u>	<u>305,186</u>	<u>1,029,104</u>	<u>-</u>
Total assets	<u>724,788</u>	<u>728,620</u>	<u>1,453,408</u>	<u>-</u>
Liabilities				
Current liabilities				
Bank overdraft	-	-	-	215,933
Accounts payable	31,140	35,709	66,849	339,597
Accrued expenses	39,357	84,998	124,355	-
Total liabilities	<u>70,497</u>	<u>120,707</u>	<u>191,204</u>	<u>555,530</u>
Net assets				
Invested in capital assets, net of related debt	723,918	305,186	1,029,104	-
Unrestricted	(69,627)	302,727	233,100	1,579,770
Total net assets	<u>\$ 654,291</u>	<u>\$ 607,913</u>	<u>\$ 1,262,204</u>	<u>\$ 1,579,770</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, 2005

	<u>Solid Waste Fund</u>	<u>EMS Fund</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
Revenues				
Licenses and permits	\$ 3,000	\$ -	\$ 3,000	\$ -
Charges for services	369,049	1,423,365	1,792,414	-
Investment income	-	-	-	-
Contributions and donations	-	200,925	200,925	-
Miscellaneous income	-	8,709	8,709	4,260,730
Total operating revenues	<u>372,049</u>	<u>1,632,999</u>	<u>2,005,048</u>	<u>4,260,730</u>
Expenses				
Personal services	645,795	1,491,191	2,136,986	-
Purchased/contracted services	143,077	44,844	187,921	-
Supplies	60,419	157,474	217,893	-
Depreciation and amortization	52,988	61,213	114,201	-
Other costs	-	364,990	364,990	4,029,776
Total operating expenses	<u>902,279</u>	<u>2,119,712</u>	<u>3,021,991</u>	<u>4,029,776</u>
Operating loss	<u>(530,230)</u>	<u>(486,713)</u>	<u>(1,016,943)</u>	<u>230,954</u>
Nonoperating revenues				
Grants	-	-	-	-
Net increase in fair value of investments	-	-	-	(5,638)
Interest earned	235	612	847	37,062
Loss on sale of asset	-	-	-	-
Total nonoperating revenues	<u>235</u>	<u>612</u>	<u>847</u>	<u>31,424</u>
Loss before operating transfers and contributions	<u>(529,995)</u>	<u>(486,101)</u>	<u>(1,016,096)</u>	<u>262,378</u>
Transfers out	(174,023)	(769,632)	(943,655)	-
Transfers in	650,966	1,480,807	2,131,773	-
Change in net assets	<u>(53,052)</u>	<u>225,074</u>	<u>172,022</u>	<u>262,378</u>
Total net assets - beginning	<u>707,343</u>	<u>382,839</u>	<u>1,090,182</u>	<u>1,317,392</u>
Total net assets - ending	<u>\$ 654,291</u>	<u>\$ 607,913</u>	<u>\$ 1,262,204</u>	<u>\$ 1,579,770</u>

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

WALTON COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2005

	Solid Waste Fund	EMS Fund	Total	Governmental Activities Internal Service Funds
Cash flows from operating activities:				
Cash sales to customers	\$ 372,047	\$ 1,007,285	\$ 1,379,332	\$ -
Cash payments to suppliers for goods and serv	(192,652)	(185,632)	(378,284)	(3,711,724)
Cash from interfund services provided	-	-	-	4,260,730
Cash payments to employees for services	(652,274)	(1,505,138)	(2,157,412)	-
Other operations revenues	-	200,925	200,925	-
Net cash used by operating activities	<u>(472,879)</u>	<u>(482,560)</u>	<u>(955,439)</u>	<u>549,006</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	-	711,175	711,175	-
Transfer (to) other funds	476,943	-	476,943	-
Net cash provided by noncapital financing activities	<u>476,943</u>	<u>711,175</u>	<u>1,188,118</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(4,299)	(229,227)	(233,526)	-
Net cash used by capital and related financing activities	<u>(4,299)</u>	<u>(229,227)</u>	<u>(233,526)</u>	<u>-</u>
Cash flows from investing activities:				
Net investment income	235	612	847	31,424
Investment purchases	-	-	-	(1,909,315)
Net cash provided by investing activities	<u>235</u>	<u>612</u>	<u>847</u>	<u>(1,877,891)</u>
Net decrease in cash and cash equivalents	-	-	-	(1,328,885)
Cash and cash equivalents, July 1	-	-	-	1,554,870
Cash and cash equivalents, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,985</u>
Reconciliation of operating loss to net cash used by operating activities:				
Operating loss	\$ (530,230)	\$ (486,713)	\$ (1,016,943)	\$ 230,954
Adjustments to reconcile operating income to net cash used by operating activities:				
Depreciation	52,988	61,213	114,201	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	(59,799)	(59,799)	-
Increase (decrease) in allowance for doubtful	-	-	-	-
(Increase) decrease in inventory	(514)	-	(514)	-
(Increase) decrease in prepaid expenses	-	-	-	-
Increase (decrease) in accounts payable	11,356	16,686	28,042	266,457
Increase (decrease) in salaries payable	(6,479)	(13,947)	(20,426)	-
Increase (decrease) in bank overdraft	-	-	-	51,595
Total adjustments	<u>57,351</u>	<u>4,153</u>	<u>61,504</u>	<u>318,052</u>
Net cash used by operating activities	<u>\$ (472,879)</u>	<u>\$ (482,560)</u>	<u>\$ (955,439)</u>	<u>\$ 549,006</u>

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

WALTON COUNTY, GEORGIA
Statement of Net Assets
Component Units
As of June 30, 2005

	Development	Walton County Commission on	Health	Walton County	Totals
	Authority	Children & Youth	Department	Water & Sewerage Authority	
	June 30, 2005	June 30, 2005	June 30, 2005	June 30, 2005	
Assets					
Cash	\$ 390,645	\$ 22,009	\$ 913,204	\$ 3,424,723	\$ 4,750,581
Investments	-	-	-	1,189,180	1,189,180
Accounts receivable	-	-	92,058	399,450	491,508
Unbilled revenue	-	-	-	214,623	214,623
Prepaid expenses	-	-	-	144,889	144,889
Restricted:					
Cash restricted for construction	-	-	-	6,350,194	6,350,194
Cash restricted for debt service	-	-	-	681,521	681,521
Due from other governments	-	14,054	25,746	-	39,800
Capital assets, net	3,251,693	-	29,971	47,481,573	50,763,237
Other assets:	-	-	-	-	-
Restricted for debt service	-	-	-	1,530,557	1,530,557
Bond issuance & deferred costs	-	-	-	620,282	620,282
Total assets	<u>3,642,338</u>	<u>36,063</u>	<u>1,060,979</u>	<u>62,036,992</u>	<u>66,776,372</u>
Liabilities					
Accounts payable	-	-	27,754	263,259	291,013
Accrued expenses	-	-	-	95,101	95,101
Current liabilities payable					
from restricted assets	-	-	-	5,240,825	5,240,825
Long term portion of bonds payable	1,300,000	-	100,980	27,459,561	28,860,541
Total liabilities	<u>1,300,000</u>	<u>-</u>	<u>128,734</u>	<u>33,058,746</u>	<u>34,487,480</u>
Net assets					
Invested in capital assets, net of related debt	-	-	29,971	21,607,278	21,637,249
Restricted	-	-	791,759	2,185,546	2,977,305
Unrestricted	2,342,338	36,063	110,515	5,185,422	7,674,338
Total net assets	<u>\$ 2,342,338</u>	<u>\$ 36,063</u>	<u>\$ 932,245</u>	<u>\$28,978,246</u>	<u>\$ 32,288,892</u>

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

WALTON COUNTY, GEORGIA
Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2005

Activities:	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				Total
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Development Authority	Commission on Children & Youth	Health Department	Water & Sewerage Authority	
Component units:									
Development Auth	\$ 517,591	\$ -	\$ -	\$ -	\$ (517,591)	\$ -	\$ -	\$ -	\$ (517,591)
Comm. on Children & Youth	61,223	-	68,346	-	-	7,123	-	-	7,123
Water & Sewerage Authority	3,954,582	4,004,899	-	2,642,329	-	-	-	2,692,646	2,692,646
Health Department	1,670,119	776,843	922,020	-	-	-	28,744	-	28,744
Total component units	\$6,203,515	\$ 4,781,742	\$ 990,366	\$2,642,329	(517,591)	7,123	28,744	2,692,646	2,210,922
General revenues:									
Intergovernmental revenues					1,064,848	-	-	-	1,064,848
Investment earnings					10,664	494	14,915	78,730	104,803
Gain on the sale of capital assets					13,499	-	-	(360)	13,139
Transfers					(106,001)	-	-	-	(106,001)
Total general revenues					983,010	494	14,915	78,370	1,076,789
Change in net assets					465,419	7,617	43,659	2,771,016	3,287,711
Net assets - beginning					1,876,919	28,446	888,586	26,229,291	29,023,242
Prior period adjustment					-	-	-	(22,061)	(22,061)
Net assets - beginning, restated					1,876,919	28,446	888,586	26,207,230	29,001,181
Net assets - ending					\$ 2,342,338	\$ 36,063	\$ 932,245	\$ 28,978,246	\$32,288,892

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

WALTON COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2005

ASSETS	
Cash	\$ 399,878
Receivables	29,394
Total assets	<u>\$ 429,272</u>
LIABILITIES	
Due to other governments	\$ 185
Due to others	429,087
Total liabilities	<u>\$ 429,272</u>

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

Notes to Financial Statements

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

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

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

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

Walton County Water & Sewerage Authority – The Authority was established to acquire, construct and operate a water and sewerage system to provide service to individuals, public and private corporations and municipal corporations. The governing board of the Authority consists of seven members, all appointed by the Board of Commissioners who also ratifies decisions of the Authority.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 1: Summary of Significant Accounting Policies, continued

A. Reporting Entity, continued

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

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

Walton County Water & Sewerage Authority
P.O. Box 880
Loganville, GA 30052

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

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

The County reports the following major governmental funds:

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

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 1: Summary of Significant Accounting Policies, continued

B. Basis of Presentation, Basis of Accounting, continued

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

The County reports the following major enterprise funds:

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

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

The County reports the following internal service funds:

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

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

The County reports the following fund types:

Agency Funds – These funds account for monies held by the County in a trustee capacity or as an agent on behalf of individuals, private organizations, other governments and/or other funds. Following are the agency funds of the County at June 30, 2005: Tax Commissioner, Sheriff, Probate Court, Clerk of Superior Court, Magistrate Court, Juvenile Court, Tax Assessors, Planning & Development and Animal Control.

Measurement Focus, Basis of Accounting

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

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

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

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 1: Summary of Significant Accounting Policies, continued

C. Budgets and Budgetary Accounting

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

1. Prior to July 1, the Chairman submits to the Commission a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Walton County.
3. The budget is then revised and adopted or amended by the Commission before the first regular meeting in July of the year to which it applies. The legal level of budgetary control is the department level.
4. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase in expenditures shall be made therein without provision also being made for financing the same.
5. Budgeted amounts are as originally adopted, or as amended by the Commission. Individual amendments were not material in relation to the original appropriations.
6. Operating budgets are legally adopted each fiscal year for the General Fund, all Special Revenue Funds and the Debt Service Fund on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for all capital project funds. All annual appropriations lapse at fiscal year end.

D. Encumbrances

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

E. Deposits and Investments

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

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

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

F. Receivables and Payables

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 1: Summary of Significant Accounting Policies, continued

G. Property Tax Calendar

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

Property taxes are levied approximately September 15 of each year and are due 60 days after issuance. A local option sales tax is in force. Proceeds for this tax are remitted to the County monthly and are utilized to give property owners tax relief. Taxes receivable at June 30, 2005 amounted to \$407,409 while deferred property tax revenue totaled \$325,073.

H. Inventories and Prepaid Items

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

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

I. Capital Assets

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

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost of the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

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

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

Asset Class	Estimated Useful Lives	Capitalization Thresholds
Infrastructure	15-50	All
Building and improvements	20-50	\$ 20,000
Vehicles	5	2,500
Furniture and fixtures	10	2,500
Equipment	10	2,500
Computer equipment	5	2,500
Heavy machinery	7-12	2,500

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 1: Summary of Significant Accounting Policies, continued

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

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

K. Restricted Assets

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

Note 2: Stewardship, Compliance and Accountability

A. Deficit Fund Balances/Retained Earnings:

The Emergency 911 has an accumulated deficit of \$17,073 at June 30, 2005. Increase in user fees and cell phones usage should eliminate the deficit in future years.

B. Excess of expenditures over appropriations in individual departments:

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

Note 3: Cash and Investments

Primary Government

Cash

As of June 30, 2005, the total bank balances are entirely insured or collateralized with securities held by the County or by its agent in the County's behalf.

Investments

Custodial Credit Risk – For investments, the risk is that, in the event of a failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The County had no policy on custodial credit risk.

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

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

The County has \$3,766,125 and \$2,471,833 invested in the Georgia Fund 1. Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 3: Cash and Investments, continued

Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is managed by the Office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. The County has no investment policy that would further limit its investment choices. The County's investments in U.S. Agencies are rated AAA, as is their investment in the Local Government Investment Pool, by Standard and Poor's.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. 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.

Concentration of Credit Risk – The County places no limit on the amount that the County may invest in any one issuer. GASB Statement 40 requires disclosure when the percent is 5% or more in any one issuer. All of the County's investments are in U.S. Treasury and Government agency funds and the Local Government Investment Pool.

As of June 30, 2005, the County had the following investments:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>
General Fund		
Local Government Investment Pool	30 days	\$ 3,766,125
Capital Project Funds		
Local Government Investment Pool	30 days	2,471,833
Debt Service Funds		
U.S. Government Agencies	2006	605,801
Internal Service Funds		
U.S. Treasury	2006 to 2010	695,046
U.S. Government Agencies	2006 to 2008	1,114,269
Certificates of Deposit	2005	100,000
		<u>\$ 8,753,074</u>

Discretely Presented Component Units

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

Primary Government

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 22,988,553	\$ -	\$ -	\$ 22,988,553
Construction in progress	21,001,714	6,844,466	26,830,918	1,015,262
Historical artifacts	11,000	-	-	11,000
Total capital assets not being depreciated	<u>44,001,267</u>	<u>6,844,466</u>	<u>26,830,918</u>	<u>24,014,815</u>
Capital assets being depreciated:				
Infrastructure	102,068,502	2,398,410	-	104,466,912
Buildings and improvements	21,029,014	26,495,572	-	47,524,586
Equipment, furniture & vehicles	14,348,025	885,154	69,980	15,163,216
Total capital assets being depreciated	<u>137,445,541</u>	<u>29,779,136</u>	<u>69,980</u>	<u>167,154,714</u>
Less accumulated depreciation for:				
Infrastructure	85,712,751	2,111,191	-	87,823,942
Buildings and improvements	6,852,426	919,060	-	7,771,486
Equipment, furniture & vehicles	10,684,535	1,150,321	56,315	11,778,541
Total accumulated depreciation	<u>103,249,712</u>	<u>4,180,572</u>	<u>56,315</u>	<u>107,373,969</u>
Primary government capital assets being depreciated, net	<u>\$ 78,197,096</u>	<u>\$ 32,443,030</u>	<u>\$ 26,844,583</u>	<u>\$ 83,795,560</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Emergency Medical Services				
Capital assets not being depreciated:				
Capital assets being depreciated:				
Equipment, furniture & vehicles	\$ 296,560	\$ 229,227	\$ 53,796	\$ 471,991
Total capital assets being depreciated	<u>296,560</u>	<u>229,227</u>	<u>53,796</u>	<u>471,991</u>
Less accumulated depreciation for:				
Equipment, furniture & vehicles	159,389	61,213	53,796	166,806
Total accumulated depreciation	<u>159,389</u>	<u>61,213</u>	<u>53,796</u>	<u>166,806</u>
Emergency Medical Services capital assets being depreciated, net	<u>\$ 137,171</u>	<u>\$ 168,014</u>	<u>\$ -</u>	<u>\$ 305,185</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 4: Capital Assets, continued

Primary Government, continued

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Solid Waste Fund:				
Capital assets not being depreciated:				
Land	\$ 372,370	\$ -	\$ -	\$ 372,370
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>372,370</u>	<u>-</u>	<u>-</u>	<u>372,370</u>
Capital assets being depreciated:				
Buildings and improvements	302,615	-	-	302,615
Equipment, furniture & vehicles	1,036,809	4,299	-	1,041,108
Total capital assets being depreciated	<u>1,339,424</u>	<u>4,299</u>	<u>-</u>	<u>1,343,723</u>
Less accumulated depreciation for:				
Buildings and improvements	103,882	9,810	-	113,692
Equipment, furniture & vehicles	835,306	43,144	-	878,450
Total accumulated depreciation	<u>939,188</u>	<u>52,954</u>	<u>-</u>	<u>992,142</u>
Solid waste capital assets being depreciated, net	<u>772,606</u>	<u>(48,655)</u>	<u>-</u>	<u>723,951</u>
Business-type activities capital assets, net	<u>\$ 909,778</u>	<u>\$ 119,359</u>	<u>\$ -</u>	<u>\$ 1,029,104</u>

Depreciation expense was charged to functions as follows:

General government	\$ 606,997
Judicial	50,610
Public safety	909,158
Public works	291,172
Health and welfare	12,057
Culture and recreation	180,237
Housing and development	19,150
Unallocated - Infrastructure	2,111,191
Total governmental activities depreciation expense	<u>\$ 4,180,572</u>

Discretely Presented Component Units -
Development Authority of Walton County

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 3,270,114	\$ -	\$ 32,506	\$ 3,237,608
Total capital assets not being depreciated	<u>3,270,114</u>	<u>-</u>	<u>32,506</u>	<u>3,237,608</u>
Capital assets being depreciated:				
Equipment, furniture & vehicles	36,569	9,397	-	45,966
Total capital assets being depreciated	<u>36,569</u>	<u>9,397</u>	<u>-</u>	<u>45,966</u>
Less accumulated depreciation for:				
Equipment, furniture & vehicles	25,751	6,132	-	31,883
Total accumulated depreciation	<u>25,751</u>	<u>6,132</u>	<u>-</u>	<u>31,883</u>
Development Authority capital assets being depreciated, net	<u>\$ 3,280,932</u>	<u>\$ 3,265</u>	<u>\$ 32,506</u>	<u>\$ 3,251,691</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 4: Capital Assets, continued

Walton County Water & Sewerage Authority

A summary of changes in the Walton County Water & Sewerage Authority's capital assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 118,050	\$ -	\$ -	\$ 118,050
Land-ROW & easements	48,934	-	-	48,934
Construction in progress	13,938,187	1,731,168	4,004,082	11,665,273
Total capital assets not being depreciated	<u>14,105,171</u>	<u>1,731,168</u>	<u>4,004,082</u>	<u>11,832,257</u>
Capital assets being depreciated:				
Buildings and improvements	554,812	-	1,010	553,802
Water system	35,121,089	5,846,007	-	40,967,096
System equipment	1,486,020	96,795	120,323	1,462,492
Equipment, furniture & vehicles	205,299	6,156	126,969	84,486
Total capital assets being depreciated	<u>37,367,220</u>	<u>5,948,958</u>	<u>248,302</u>	<u>43,067,876</u>
Less accumulated depreciation for:				
Buildings and improvements	196,215	18,508	-	214,723
Water System	5,534,536	564,450	-	6,098,986
System equipment	1,058,012	113,135	119,963	1,051,184
Equipment, furniture & vehicles	173,215	8,431	127,979	53,667
Total accumulated depreciation	<u>6,961,978</u>	<u>704,524</u>	<u>247,942</u>	<u>7,418,560</u>
Component unit capital assets being depreciated, net	<u>\$ 44,510,413</u>	<u>\$ 6,975,602</u>	<u>\$ 4,004,442</u>	<u>\$ 47,481,573</u>

Note 5: Interfund Balances and Activity

Balances Due to/from Other Funds

Balances due to/from other funds at June 30, 2005 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sheriff Special Revenue	\$ 3,545
	SPLOST Capital Project	2,159,594
Forfeited & Seized Drug Fund	General Fund	3,255
		<u>\$2,166,394</u>
	Total due to/from other funds	

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 5: Interfund Balances and Activity, continued

Transfers to/from Other Funds

Transfer Out:	Transfer In:					Total
	General Fund	Nonmajor Governmental	Debt Service	Solid Waste	Enterprise EMS	
General Fund	\$ -	\$ 992,951	\$ 2,006,061	\$ 650,966	\$ 1,480,807	\$ 5,130,785
SPLOST Cap. Proj.	-	-	6,847,175	-	-	6,847,175
Nonmajor Governmental	438,120	-	-	-	-	438,120
Enterprise Fund:						
Solid Waste	174,023	-	-	-	-	174,023
EMS	769,632	-	-	-	-	769,632
Component Unit	106,000	-	-	-	-	106,000
	<u>\$ 1,487,775</u>	<u>\$ 992,951</u>	<u>\$ 8,853,236</u>	<u>\$ 650,966</u>	<u>\$ 1,480,807</u>	<u>\$ 13,465,735</u>
			Total transfer in/out from other funds			

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

Note 6: Long-term Obligations

Primary Government

General Obligation Bonds

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

COPS

\$5,215,000 1994 Certificates of Participation ACCG Lease Program On February 1, 1994 the County issued Series 1994 Certificates of Participation through the Association of County Commissioners of Georgia Leasing Program to finance the acquisition, construction and equipping of certain governmental facilities. The certificates are payable in annual installments of principal varying from \$185,000 - \$565,000 through January 2010. Interest is due semi-annually at rates varying from 3.75% to 5.5%. See Note 13.

Notes Payable

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

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 6: Long-term Obligations, continued

Joint Venture

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

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2005 are as follows:

	<u>July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2005</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation bonds	\$ 16,980,000	\$ -	\$ 6,230,000	\$ 10,750,000	\$ 6,230,000
COPS	1,420,000	-	205,000	1,215,000	205,000
Newton County:					
Water Line Agreement	228,835	-	8,863	219,972	8,863
Reservoir Agreement	388,057	-	15,568	372,489	15,568
Four County Joint Industrial Development Authority	3,037,500	-	112,500	2,925,000	112,500
Capital lease obligations	1,570,262	-	598,791	971,471	490,368
Compensated absences	905,437	-	44,668	860,769	86,077
	<u>\$ 24,530,091</u>	<u>\$ -</u>	<u>\$ 7,215,390</u>	<u>\$ 17,314,701</u>	<u>\$ 7,148,376</u>

Capital Leases

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

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

	<u>Historical Costs</u>	<u>Accumulated Depreciation</u>
Machinery and equipment	\$ 2,686,093	\$ 1,401,222

Future minimum lease payment at June 30, 2005 are as follows:

Fiscal Year Ending June 30,	<u>Governmental Activities</u>	<u>Total</u>
2006	\$ 490,368	\$ 490,368
2007	492,147	492,147
2008	25,353	25,353
Total minimum lease payments	1,007,868	1,007,868
Less: deferred interest	36,397	36,397
Present value minimum lease payments	<u>\$ 971,471</u>	<u>\$ 971,471</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 6: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2005 are as follows:

Year Ending June 30,	Governmental Activities		COPS		Newton County Water Line Agreement		Newton County Reservoir Agreement		Four County Industrial Development Authority	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 7,000,000	\$ 370,175	\$ 220,000	\$ 65,915	\$ 9,410	\$ 13,205	\$ 16,446	\$ 20,076	\$ 112,500	\$ 34,712
2007	3,750,000	79,688	230,000	54,255	9,990	12,625	17,374	19,148	112,500	33,351
2008	-	-	240,000	41,835	10,606	12,009	18,354	18,169	150,000	31,763
2009	-	-	255,000	28,875	11,260	11,355	19,389	17,133	150,000	29,948
2010-2014	-	-	270,000	14,850	67,616	45,459	114,638	67,974	825,000	121,605
2015-2019	-	-	-	-	91,205	21,870	150,830	31,783	1,050,000	64,886
2020-2024	-	-	-	-	19,888	602	35,459	1,064	525,000	6,352
	<u>\$10,750,000</u>	<u>\$ 449,863</u>	<u>\$1,215,000</u>	<u>\$ 205,730</u>	<u>\$ 219,975</u>	<u>\$ 117,125</u>	<u>\$ 372,490</u>	<u>\$ 175,347</u>	<u>\$2,925,000</u>	<u>\$ 322,617</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 6: Long-term Obligations, continued

Discretely Presented Component Unit-

Development Authority of Walton County
Long-term Obligations

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

Walton County is financially liable for this mortgage indebtedness of the Development Authority of Walton County. During FY 2005, the Walton County Board of Commissioners, in accordance with existing agreements with the Development Authority, made direct payments of \$987,952.39 to the Walton County Development Authority. Of that, \$787,952.39 was used by the Development Authority of Walton County to pay debt service on its 2000 Revenue Bonds. The remaining \$200,000.00 was paid by the Commissioners to support the current operations of the Development Authority.

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2005 are as follows:

	<u>July 1, 2005</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2005</u>	<u>Due within One Year</u>
Bonds payable	\$ 1,950,000	\$ -	\$ 650,000	\$ 1,300,000	\$ 650,000
	<u>\$ 1,950,000</u>	<u>\$ -</u>	<u>\$ 650,000</u>	<u>\$ 1,300,000</u>	<u>\$ 650,000</u>

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2005 are as follows:

Year Ending June 30,	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2006	650,000	87,663
2007	650,000	37,511
	<u>\$ 1,300,000</u>	<u>\$ 125,174</u>

Walton County Water & Sewerage Authority

Bonds Payable

1989 Series Bonds – First mortgage revenue bonds acquisition of water system assets payable to the bondholders in the original amount of \$2,785,000 bearing interest at the rate 7.5 to 8.25%, interest payable each February and August through 2015. Of the original amount of the bonds, only \$25,000 remains outstanding due to an advance refunding in 1996, see below. The remaining principal balance will be paid out in 2015.

1996 Series Bonds – Revenue bonds for acquisition of water system assets payable to the bondholders in the original amount of \$8,070,000 bearing interest at the rate 4.3 to 6.00%, principal payable each February through 2021 with accrued interest to date.

The revenue bonds are a lien on the net revenues generated by the water system of the Authority, and the bond ordinances require, among other things, that the rates for water shall be set at an amount sufficient to pay all of the operating costs of the system, and to provide the amounts necessary to pay the bond principal and interest due each year, and to create a reserve fund of \$645,526, which was fully funded at year end. The ordinance also requires the Authority to maintain rates to produce earnings at least equal to 1.2 times the debt service requirements of its revenue bonds.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 6: Long-term Obligations, continued

Discretely Presented Component Unit- Walton County Water & Sewerage Authority, continued

On June 1, 1996, the Authority issued \$8,070,000 in Revenue Bonds with an average interest rate of 5.89% to advance refund part of the outstanding 1989 Series bonds, provide funds for future construction, prepay existing GEFA debt, and set up necessary reserve accounts.

The amount deposited in an escrow fund was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1989 Series Bonds. As a result, \$2,045,000 of the 1989 Series Bonds are considered to be defeased and the liability for those bonds has been removed.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of (\$207,111). This difference, reported in the associated financial statements as an asset, is being charged to operations through the year 2015 using the straight-line method. The Authority completed the advance refunding to reduce its debt service payments on the old debt and to acquire new funds for future improvements and expansion. The net effect of the defeasance was an economic gain of \$106,495.

2002 Series – Revenue bonds payable to the bondholders in the original amount of \$14,550,000 bearing interest at the rate of 2.0 to 4.5%, principal payable each February and August through 2028 with accrued interest to date.

The revenue bonds are a lien on the net revenues generated by the water system of the Authority, and the bond ordinances require, among other things, that the rates shall be set at an amount sufficient to pay all of the operating costs of the system, and to provide the amounts necessary to pay the bond principal and interest due each year, and to create a reserve fund of \$855,924, which was fully funded at year end. The ordinance also requires the Authority to maintain rates to provide earnings at least equal to 1.2 times the debt service requirements of its revenue bonds.

The Authority issued \$14,550,000 in revenue bonds with an average interest rate of 3.25% with yields ranging from 1.52 to 4.67% to provide funds for future construction of additions, extensions and improvements to the water-related facilities, to fully fund a reserve account to service the 2002 Series Bonds, and pay the costs of issuance of the Series 2002 Bonds.

Notes Payable

GEFA – 4.0% construction loan payable to Georgia Environmental Facilities Authority (GEFA 1993), total amount available under loan is \$1,180,000, due in quarterly installments over 20 years at 4.8%, includes capitalized interest of \$30,076 payable through October, 2014.

Newton County, GA – The Authority has agreed to pay Newton County Georgia for certain costs pertaining to the Cornish Creek Reservoir and treatment plant, which the Authority has a 25% interest. The Authority has agreed to pay 25% of the treatment plant and system upgrade costs of approximately \$1,887,070 and their increased share of the reservoir capacity costs of \$774,284.

The debt will be financed by Newton County over a twenty year period at 5.5% per annum, payable at \$18,307 per month. The debt repayment commenced on December 1, 2000 and will continue until the debt is retired.

During 2004, Newton County, Georgia issued bonds to refinance the prior debt and to pay for certain capital improvements. The Authority's share of this debt issue was \$4,780,000. This debt is interest only for the first five years at approximately \$209,703 per year with principal payments commencing in 2010 with debt service at approximately \$450,000 per year.

Wachovia Bank – On June 24, 2005, the Authority borrowed \$3,454,326 which was used on July 1, 2005 to purchase approximately 422 acres of land related the Hard Labor Creek Reservoir. This loan, which bears interest at prime plus 2% (6.25% at June 30, 2005) is due June 24, 2006 and may not be prepaid. The loan is secured by revenues from the water system.

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 6: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2005 are as follows:

Walton County Water & Sewerage Authority Year Ending June 30,	Bonds Series 1989		Bonds Series 1996		Bonds Series 2002		Newton County Note Payable		Newton County Reservoir Agreement	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ -	\$ 2,063	\$ 265,000	\$ 378,464	\$ 245,000	\$ 586,091	\$ 96,688	\$ -	\$ -	\$ 173,919
2007	-	2,063	275,000	364,684	255,000	580,579	102,142	-	-	208,703
2008	-	2,063	290,000	350,109	265,000	574,523	107,904	-	-	208,703
2009	-	2,063	305,000	334,449	275,000	567,566	113,991	-	-	208,703
2010	-	2,063	325,000	317,674	280,000	559,660	120,421	-	240,000	208,703
2011-2015	25,000	10,315	1,890,000	1,287,956	1,560,000	2,654,790	711,988	-	1,325,000	915,589
2016-2020	-	-	2,555,000	658,231	1,925,000	2,323,825	936,764	-	1,615,000	623,964
2021-2025	-	-	605,000	36,300	5,135,000	1,696,685	90,289	-	1,600,000	192,100
2026-2030	-	-	-	-	4,125,000	376,650	-	-	-	-
	<u>\$ 25,000</u>	<u>\$ 20,630</u>	<u>\$6,510,000</u>	<u>\$3,727,867</u>	<u>\$14,065,000</u>	<u>\$9,920,369</u>	<u>\$2,280,187</u>	<u>\$1,106,628</u>	<u>\$4,780,000</u>	<u>\$2,740,384</u>

Year Ending June 30,	GEFA	
	Principal	Interest
2006	\$ 60,976	\$ 34,389
2007	63,956	31,409
2008	67,082	28,283
2009	70,360	25,005
2010	73,799	21,566
2011-2015	402,907	50,078
	<u>\$ 739,080</u>	<u>\$ 190,730</u>

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 6: Long-term Obligations, continued

Discretely Presented Component Unit- Walton County Water & Sewerage Authority, continued

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2005 are as follows:

	<u>October 31, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2005</u>	<u>Due within One Year</u>
Revenue Bonds - 1989	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -
Revenue Bonds - 1996	6,760,000	-	250,000	6,510,000	265,000
Revenue Bonds - 2002	14,310,000	-	245,000	14,065,000	245,000
Less deferred amounts:				-	
Issuance discounts	(291,072)	-	(9,515)	(281,557)	(9,515)
GEFA	768,494	-	29,414	739,080	60,976
Newton County:					
Notes payable	2,341,760	-	61,573	2,280,187	96,688
Reservoir Agreement	4,780,000	-	-	4,780,000	-
Bank note payable	-	3,454,326	-	3,454,326	3,454,326
Capital lease obligations	10,026	-	10,026	-	-
	<u>\$ 28,704,208</u>	<u>\$ 3,454,326</u>	<u>\$ 586,498</u>	<u>\$ 31,572,036</u>	<u>\$ 4,112,475</u>

Note 7: Retirement Benefits

Defined Benefit Pension Plan

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

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Walton County Employees (The Plan), which is a defined pension plan. The plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association of County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in section 19.02 of the ACCG Plan document. The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

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

GEBCorp
1100 Circle 75 Parkway, Suite 300
Atlanta, GA 30339

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 7: Retirement Benefits, continued

Defined Benefit Pension Plan, continued

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

All full-time County employees and those part-time employees working at least 20 hours per week for at least five months per year are eligible to participate in the Plan provided that they have completed two years of service. As of January 1, 2004, the numbers of participants were as follows:

-Retirees & beneficiaries receiving benefits	26
-Terminated employees entitled to deferred benefits, but not yet receiving them	56
- Active employees	<u>458</u>
	540

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

The .75% above is reduced to .70% if year of birth is after 1937 and before 1955. Also, the .75% is reduced to .65% for employees born after 1954. Last, years of service are limited to 35 years for this part of the benefit formula. In addition, the plan provides that no participant will receive less than what he had accrued under The Plan as of June 30, 1987. The Plan also provides death benefits. The employee is vested 50% after completing 4 years of service and 100% after 5 years of service.

Contributions

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

As of January 1, 2004 (the most recent actuarial valuation date), the County's total covered payroll was \$13,897,790. Covered payroll refers to all compensation paid by the County to active employees covered by The Plan on which contributions to the pension are based. The required contribution for the 2004 plan year is \$679,237, which represents 4.9% of covered payroll.

Annual Pension Cost

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

	<u>January 1, 2003</u>	<u>January 1, 2004</u>
Derivation of Annual Pension Cost		
Annual Required Contribution	\$155,657	\$679,237
Interest on Net Pension Obligation	(1,306)	(1,300)
Amortization of Net Pension Obligation	<u>1,377</u>	<u>1,372</u>
	\$155,729	\$679,309
 Derivation of Net Pension Obligation		
Annual Pension Cost for Prior Year		\$ 155,729
Actual Contributions to Plan for Prior Year		<u>155,657</u>
Increase in Net Pension Obligation		72
Net Pension Obligation as of January 1, 2003		<u>(16,321)</u>
Net Pension Obligation as of January 1, 2004		(16,249)

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 7: Retirement Benefits, continued

Defined Benefit Pension Plan, continued

Basis of Valuation

Valuation date	January 1, 2004
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)
Remaining amortization period	9 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	8.0%
Projected salary increases*	5.0%
*Includes inflation at	3.0%
Cost of living adjustments	2.5%

Three Year Trend Information

Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
1/1/2004	\$ 679,309	\$ N/A	N/A	\$ (16,249)
1/1/2003	155,729	155,729	100.0	(16,321)
1/1/2002	137,755	137,155	100.0	(16,921)

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

Defined Contribution Plan

Plan Description

The Walton County Money Purchase 401(a) Plan is a defined contribution pension plan established by the county and administered by CBIZ Benefits and Insurance in Maryland, with statements provided to employees by GEBCorp. The Plan was established to provide benefits at retirement to Walton County employees. The County is required to contribute 2.0% of total covered payroll, and an additional 2% if an employee also contributes at least 2% to the 457(b) Deferred Compensation Plan. Employees are also required to contribute 2% to the plan. Employees are eligible to join the plan after one years of full time service. Participants are then fully in the County's contributions after five years of service. They are fully vested immediately in their contributions to the plan. Total contributions for the fiscal year ended June 30, 2005 were \$970,234. The majority of original contributions consisted of member rollovers from the defined benefit pension plan, which was frozen on July 1, 1998. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

Other Retirement Plans

Extension Service Employees Retirement Plan

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 7: Retirement Benefits, continued

Probate Judge's Retirement Fund of Georgia

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

Clerk of Superior Court Retirement Fund

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

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

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

Note 8: Risk Management

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

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

	<u>FYE 2005</u>	<u>FYE 2004</u>
Unpaid Claims, beginning of year	\$ 53,136	\$ 334,642
Incurred Claims	3,644,096	2,226,228
Claim Payments	<u>(3,363,795)</u>	<u>(2,507,734)</u>
Unpaid Claims, end of year	<u>\$ 333,437</u>	<u>\$ 53,136</u>

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

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

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 8: Risk Management, continued

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

	<u>FYE 2005</u>	<u>FYE 2004</u>
Unpaid Claims, beginning of year	\$ 20,004	\$ -
Incurred Claims	67,195	112,786
Claim Payments	<u>(81,039)</u>	<u>(92,732)</u>
Unpaid Claims, end of year	<u>\$ 6,160</u>	<u>\$ 20,004</u>

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

During the year ended June 30, 2005 the County did not reduce insurance coverages from coverage levels in place as of June 30, 2004. No settlements have exceeded coverage levels in place during 2002, 2003, 2004, and 2005.

Note 9: Commitments and Contingencies

Commitments

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

Contingent Liabilities

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

Litigation

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

Note 10: Joint Ventures

Northeast Georgia Regional Development Center (RDC)

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 10: Joint Ventures, continued

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

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

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

Four County Industrial Development Authority

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

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

Note 11: Other Postemployment Benefits

In addition to the pension benefits described in Note 7, the County provides postretirement healthcare benefits, in accordance with County statutes, to all employees who retire from the County after 20 years of service are between 62 and 65 years of age. Currently, four retirees meet those eligibility requirements. Health care benefits for retirees and active employees are provided through the County's self-insurance program. Expenditures for postretirement healthcare benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the County. During the year, expenditures of \$29,583 were recognized for postretirement healthcare. These post employment benefits are financed on a pay-as-you-go basis and are not included as part of the County defined benefit pension plan.

Note 12: Prior Period Adjustments

The Forfeited and Seized Drug Fund had an adjustment to reclass monies that were to be held pending final lawsuit disposition.

Note 13: Subsequent Events

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

WALTON COUNTY, GEORGIA
Notes to the Financial Statements
June 30, 2005

Note 13: Subsequent Events, continued

On July 1, 2005, the county refinanced and re-collateralized the 1994 Certificates of Participation ACCG bonds, with bonds for \$1,265,000. This refinancing included an exchange of property with the City of Monroe, Georgia and the sale of adjacent parking lot property.

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**Required Supplementary
Information**

WALTON COUNTY, GEORGIA
Required Supplementary Information
June 30, 2005

RETIREMENT PLAN

GASB 27 Required Supplementary Information-Schedule of Funding Progress

Measurement Date	(a) Actuarial Value of Assets	(b)		Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
		Actuarial Accrued Liability (AAL)	Actuarial Accrued Liability (AAL)				
12/31/2004	2,387,453	5,727,550	5,727,550	3,340,097	41.7%	13,897,790	24.0%
12/31/2003	1,833,075	2,649,403	2,649,403	816,328	69.2%	1,124,947	72.6%
12/31/2002	1,825,883	2,531,134	2,531,134	705,251	72.1%	1,254,042	56.2%
12/31/2001	1,955,766	2,254,072	2,254,072	298,306	86.8%	996,501	29.9%
12/31/2000	2,357,303	2,644,987	2,644,987	287,684	89.1%	1,228,654	23.4%
12/31/1999	2,129,500	2,450,635	2,450,635	321,135	86.9%	1,209,768	26.5%
12/31/1998	2,189,804	1,089,140	1,089,140	(1,100,664)	201.1%	5,434,469	-20.3%
12/31/1997	4,323,906	3,073,501	3,073,501	(1,250,405)	140.7%	5,615,980	-22.3%
12/31/1996	3,738,309	4,792,546	4,792,546	1,054,237	78.0%	4,609,045	22.9%
12/31/1995	3,264,974	4,227,552	4,227,552	962,578	77.2%	4,778,723	20.1%

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

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

**Combining and Individual Fund
Statements and Schedules**

Major Funds

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2005

GENERAL GOVERNMENT	Original Budget	Final Budget	Actual	Variance with Final Budget
Governing Body:				
Personal services	\$ 103,718	\$ 104,232	\$ 104,232	\$ -
Purchased/contracted	67,500	73,829	73,829	-
Supplies	2,900	4,518	4,518	-
	<u>174,118</u>	<u>182,579</u>	<u>182,579</u>	<u>-</u>
Clerk of Commission:				
Personal services	62,714	62,714	62,383	331
Purchased/contracted	29,132	27,412	9,773	17,639
Supplies	5,122	6,842	2,232	4,610
	<u>96,968</u>	<u>96,968</u>	<u>74,388</u>	<u>22,580</u>
Commission Chair:				
Personal services	145,771	148,980	148,979	1
Purchased/contracted	5,200	3,578	3,577	1
Supplies	3,622	2,036	1,948	88
	<u>154,593</u>	<u>154,594</u>	<u>154,504</u>	<u>90</u>
Board of Elections/Registrar:				
Personal services	138,276	110,435	110,435	-
Purchased/contracted	187,700	230,279	230,279	-
Supplies	5,150	7,768	7,768	-
Capital outlay	60,000	55,758	55,758	-
	<u>391,126</u>	<u>404,240</u>	<u>404,240</u>	<u>-</u>
Financial Administration:				
Personal Services	322,512	320,012	319,146	866
Purchased/contracted	131,525	130,525	123,846	6,679
Supplies	9,864	13,363	9,638	3,725
	<u>463,901</u>	<u>463,900</u>	<u>452,630</u>	<u>11,270</u>
County Attorney:				
Purchased/contracted	150,000	190,072	190,072	-
	<u>150,000</u>	<u>190,072</u>	<u>190,072</u>	<u>-</u>
Information Technology:				
Personal services	149,405	149,405	146,103	3,302
Purchased/contracted	51,455	61,955	53,985	7,970
Supplies	130,150	119,150	105,374	13,776
Capital outlay	54,760	55,260	26,927	28,333
	<u>385,770</u>	<u>385,770</u>	<u>332,389</u>	<u>53,381</u>
Human Resources:				
Personal services	215,131	215,131	202,956	12,175
Purchased/contracted	39,700	38,350	34,126	4,224
Supplies	5,650	7,000	6,780	220
	<u>260,481</u>	<u>260,481</u>	<u>243,862</u>	<u>16,619</u>
Tax Commissioner:				
Personal services	473,936	475,516	475,516	-
Purchased/contracted	87,000	87,396	87,396	-
Supplies	8,850	10,656	10,656	-
	<u>\$ 569,786</u>	<u>\$ 573,568</u>	<u>\$ 573,568</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Board of Equalization:				
Personal services	\$ 29,664	\$ 29,664	\$ 13,679	\$ 15,985
Purchased/contracted	4,405	4,405	541	3,864
Supplies	850	850	612	238
	<u>34,919</u>	<u>34,919</u>	<u>14,832</u>	<u>20,087</u>
Tax Assessor:				
Personal services	610,051	610,051	604,014	6,037
Purchased/contracted	89,240	89,240	69,675	19,565
Supplies	19,625	19,625	16,208	3,417
	<u>718,916</u>	<u>718,916</u>	<u>689,897</u>	<u>29,019</u>
Risk Management:				
Personal services	194,806	206,577	206,577	-
Purchased/contracted	642,080	627,696	627,696	-
Supplies	1,785	70	70	-
Interfund/interdept.	525	-	-	-
Other costs	26,250	70,856	70,856	-
	<u>865,446</u>	<u>905,199</u>	<u>905,199</u>	<u>-</u>
County Facilities:				
Personal services	518,327	518,327	493,904	24,423
Purchased/contracted	394,516	394,516	359,597	34,919
Supplies	515,125	515,125	559,455	(44,330)
Capital outlay	1,485	1,485	6,624	(5,139)
	<u>1,429,453</u>	<u>1,429,453</u>	<u>1,419,580</u>	<u>9,873</u>
Customer Service:				
Personal services	33,305	33,305	32,899	406
	<u>33,305</u>	<u>33,305</u>	<u>32,899</u>	<u>406</u>
General Administration Fee:				
Purchased/contracted	5,121	5,121	5,121	-
Other costs	103,296	103,296	58,346	44,950
	<u>108,417</u>	<u>108,417</u>	<u>63,467</u>	<u>44,950</u>
TOTAL GENERAL GOVERNMENT	5,837,199	5,942,381	5,734,106	208,275
JUDICIAL				
Superior Court:				
Personal services	279,266	286,921	286,921	-
Purchased/contracted	206,000	285,298	285,298	-
Supplies	5,000	8,442	8,442	-
Other costs	19,103	27,379	27,379	-
	<u>509,369</u>	<u>608,040</u>	<u>608,040</u>	<u>-</u>
Clerk of Superior Court:				
Personal services	626,335	623,598	623,597	1
Purchased/contracted	126,850	145,354	145,354	-
Supplies	59,210	91,098	91,098	-
Capital outlay	42,700	13,725	13,725	-
	<u>\$ 855,095</u>	<u>\$ 873,775</u>	<u>\$ 873,774</u>	<u>\$ 1</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
JUDICIAL				
District Attorney:				
Personal services	\$ 486,301	\$ 433,083	\$ 433,083	\$ -
Purchased/contracted	26,100	30,777	30,777	-
Supplies	22,494	32,950	32,950	-
Capital outlay	12,000	52,513	52,513	-
Other costs	-	22,249	22,249	-
	<u>546,895</u>	<u>571,572</u>	<u>571,572</u>	<u>-</u>
Magistrate Court:				
Personal services	288,618	288,618	279,722	8,896
Purchased/contracted	10,585	10,106	8,820	1,286
Supplies	5,700	6,401	6,188	213
Capital outlay	6,000	5,778	5,778	-
	<u>310,903</u>	<u>310,903</u>	<u>300,508</u>	<u>10,395</u>
Probate Court:				
Personal services	406,863	403,668	403,668	-
Purchased/contracted	14,970	25,608	25,608	-
Supplies	10,950	9,859	9,859	-
	<u>432,783</u>	<u>439,135</u>	<u>439,135</u>	<u>-</u>
Juvenile Court:				
Personal services	514,373	514,373	503,431	10,942
Purchased/contracted	91,498	71,352	42,879	28,473
Supplies	19,890	36,590	29,382	7,208
Capital outlay	-	3,446	3,446	-
	<u>625,761</u>	<u>625,761</u>	<u>579,138</u>	<u>46,623</u>
Public Defender:				
Personal services	312,644	312,644	297,927	14,717
Purchased/contracted	30,500	22,369	12,315	10,054
Supplies	13,300	21,431	18,491	2,940
	<u>356,444</u>	<u>356,444</u>	<u>328,733</u>	<u>27,711</u>
TOTAL JUDICIAL	3,637,250	3,785,630	3,700,900	84,730
PUBLIC SAFETY				
Sheriff:				
Purchased/contracted	124,470	124,470	123,444	1,026
Supplies	471,912	465,549	441,460	24,089
Capital outlay	131,763	138,126	85,883	52,243
	<u>728,145</u>	<u>728,145</u>	<u>650,787</u>	<u>77,358</u>
Law Enforcement Administration:				
Personal services	679,018	679,018	628,512	50,506
	<u>679,018</u>	<u>679,018</u>	<u>628,512</u>	<u>50,506</u>
Criminal Investigation:				
Personal services	579,580	579,580	531,699	47,881
	<u>\$ 579,580</u>	<u>\$ 579,580</u>	<u>\$ 531,699</u>	<u>\$ 47,881</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC SAFETY				
Uniformed Patrol:				
Personal services	\$ 2,380,219	\$ 2,380,219	\$ 2,217,707	\$ 162,512
	<u>2,380,219</u>	<u>2,380,219</u>	<u>2,217,707</u>	<u>162,512</u>
Youth Investigation:				
Personal services	509,122	509,122	498,522	10,600
	<u>509,122</u>	<u>509,122</u>	<u>498,522</u>	<u>10,600</u>
Jail Operations:				
Personal services	2,466,998	2,407,447	2,407,447	-
Purchased/contracted	716,768	1,164,432	1,164,432	-
Supplies	609,025	653,070	653,070	-
	<u>3,792,791</u>	<u>4,224,949</u>	<u>4,224,949</u>	<u>-</u>
Court Services:				
Personal services	1,005,453	1,059,933	1,059,933	-
	<u>1,005,453</u>	<u>1,059,933</u>	<u>1,059,933</u>	<u>-</u>
Dispatcher:				
Personal services	198,132	198,132	155,323	42,809
	<u>198,132</u>	<u>198,132</u>	<u>155,323</u>	<u>42,809</u>
Fire Administration:				
Personal services	190,163	190,163	163,867	26,296
Purchased/contracted	3,250	3,250	1,118	2,132
Supplies	4,700	4,700	3,801	899
	<u>198,113</u>	<u>198,113</u>	<u>168,786</u>	<u>29,327</u>
Fire Fighting:				
Personal services	1,915,932	2,000,624	2,000,624	-
Purchased/contracted	99,635	81,393	81,393	-
Supplies	327,024	329,577	329,577	-
Capital outlay	-	21,115	21,115	-
Other costs	32,307	24,230	24,230	-
	<u>2,374,898</u>	<u>2,456,939</u>	<u>2,456,939</u>	<u>-</u>
Fire Training:				
Purchased/contracted	31,500	31,500	25,467	6,033
	<u>31,500</u>	<u>31,500</u>	<u>25,467</u>	<u>6,033</u>
Fire Station and Building:				
Purchased/contracted	15,000	10,970	10,970	-
Supplies	90,600	99,619	99,619	-
	<u>105,600</u>	<u>110,589</u>	<u>110,589</u>	<u>-</u>
Coroner:				
Personal services	9,494	8,789	8,789	-
Purchased/contracted	16,740	30,105	30,105	-
Supplies	5,850	3,395	3,395	-
	<u>\$ 32,084</u>	<u>\$ 42,289</u>	<u>\$ 42,289</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Animal Control:				
Personal services	\$ 320,108	\$ 315,124	\$ 291,449	\$ 23,675
Purchased/contracted	6,100	6,976	6,976	-
Supplies	36,600	40,708	40,708	-
	<u>362,808</u>	<u>362,808</u>	<u>339,133</u>	<u>23,675</u>
Emergency Management:				
Personal services	175,992	175,992	152,379	23,613
Purchased/contracted	5,375	5,375	3,281	2,094
Supplies	5,900	5,900	5,196	704
	<u>187,267</u>	<u>187,267</u>	<u>160,856</u>	<u>26,411</u>
TOTAL PUBLIC SAFETY	13,164,730	13,748,603	13,271,491	477,112
PUBLIC WORKS				
Highways and Streets Administration:				
Personal services	117,022	117,022	116,178	844
	<u>117,022</u>	<u>117,022</u>	<u>116,178</u>	<u>844</u>
Roadways and Walkways:				
Personal services	1,552,072	1,458,415	1,458,415	-
Purchased/contracted	357,300	587,525	587,525	-
Supplies	311,294	382,052	382,052	-
Capital outlay	1,196,064	1,027,347	1,027,347	-
	<u>3,416,730</u>	<u>3,455,339</u>	<u>3,455,339</u>	<u>-</u>
Unpaved Streets:				
Purchased/Contracted	100,000	100,000	-	(100,000)
Supplies	50,000	73,916	73,916	-
Capital outlay	500,000	476,084	72,342	403,742
	<u>650,000</u>	<u>650,000</u>	<u>146,258</u>	<u>303,742</u>
Other Maintenance:				
Personal services	10,250	14,007	14,007	-
Purchased/contracted	30,000	26,243	16,234	10,009
	<u>40,250</u>	<u>40,250</u>	<u>30,241</u>	<u>10,009</u>
Bridges:				
Capital outlay	100,000	100,000	-	100,000
	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Traffic Engineering:				
Personal services	194,298	194,298	187,720	6,578
Purchased/contracted	154,750	149,000	2,898	146,102
Supplies	367,100	372,850	385,281	(12,431)
	<u>\$ 716,148</u>	<u>\$ 716,148</u>	<u>\$ 575,899</u>	<u>\$ 140,249</u>

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Maintenance and shop:				
Personal services	\$ 285,945	\$ 285,945	\$ 286,814	\$ (869)
Purchased/contracted	11,730	11,730	7,429	4,301
Supplies	23,237	23,237	20,721	2,516
	<u>320,912</u>	<u>320,912</u>	<u>314,964</u>	<u>5,948</u>
TOTAL PUBLIC WORKS	5,361,062	5,399,671	4,638,879	460,792
HEALTH AND WELFARE				
Health Centers:				
Purchased/contracted	6,800	6,800	2,281	4,519
Supplies	2,500	2,500	824	1,676
Other costs	250,916	250,916	250,916	-
	<u>260,216</u>	<u>260,216</u>	<u>254,021</u>	<u>6,195</u>
Intergovernmental Welfare:				
Other costs	67,000	67,000	56,160	10,840
	<u>67,000</u>	<u>67,000</u>	<u>56,160</u>	<u>10,840</u>
Other Vendor Payments:				
Purchased/contracted	1,000	6,000	6,000	-
	<u>1,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Community Services:				
Other costs	174,200	174,200	174,200	-
	<u>174,200</u>	<u>174,200</u>	<u>174,200</u>	<u>-</u>
TOTAL HEALTH AND WELFARE	502,416	507,416	490,381	17,035
CULTURE/RECREATION				
Recreation:				
Personal services	342,277	372,537	372,537	-
Purchased/contracted	89,300	103,056	103,056	-
Supplies	220,310	261,534	261,534	-
Other costs	37,632	-	-	-
	<u>689,519</u>	<u>737,127</u>	<u>737,127</u>	<u>-</u>
Parks:				
Personal services	516,031	483,948	483,948	-
Purchased/contracted	56,290	53,568	53,568	-
Supplies	261,019	367,676	367,676	-
Capital outlay	-	8,798	8,798	-
	<u>833,340</u>	<u>913,990</u>	<u>913,990</u>	<u>-</u>
Libraries:				
Other costs	229,500	229,500	229,500	-
	<u>229,500</u>	<u>229,500</u>	<u>229,500</u>	<u>-</u>
TOTAL CULTURE/RECREATION	\$ 1,752,359	\$ 1,880,617	\$ 1,880,617	\$ -

WALTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
HOUSING AND DEVELOPMENT				
Agricultural Resources:				
Personal services	\$ 105,650	\$ 105,650	\$ 107,546	\$ (1,896)
Purchased/contracted	9,825	7,925	5,887	2,038
Supplies	4,000	5,900	4,316	1,584
Other costs	19,925	19,925	18,775	1,150
	<u>139,400</u>	<u>139,400</u>	<u>136,524</u>	<u>2,876</u>
Forest Resources:				
Personal services	45,171	45,171	43,141	2,030
Purchased/contracted	4,560	4,560	4,560	-
	<u>49,731</u>	<u>49,731</u>	<u>47,701</u>	<u>2,030</u>
Protective Inspection:				
Personal services	449,807	453,212	453,212	-
	<u>449,807</u>	<u>453,212</u>	<u>453,212</u>	<u>-</u>
Planning and Zoning:				
Personal services	422,532	422,532	374,867	47,665
Purchased/contracted	27,542	29,254	43,928	(14,674)
Supplies	25,280	23,567	29,956	(6,389)
	<u>475,354</u>	<u>475,353</u>	<u>448,751</u>	<u>26,602</u>
Code Enforcement:				
Personal services	91,506	93,410	93,410	-
	<u>91,506</u>	<u>93,410</u>	<u>93,410</u>	<u>-</u>
Economic Development:				
Other costs	215,546	217,431	217,431	-
	<u>215,546</u>	<u>217,431</u>	<u>217,431</u>	<u>-</u>
Other Costs:				
Other costs	8,082	8,082	8,082	-
	<u>8,082</u>	<u>8,082</u>	<u>8,082</u>	<u>-</u>
TOTAL HOUSING AND DEVELOPMENT	1,429,426	1,436,619	1,405,111	31,508
GRAND TOTAL	<u><u>\$ 31,684,442</u></u>	<u><u>\$ 32,700,937</u></u>	<u><u>\$ 31,121,485</u></u>	<u><u>\$ 1,279,452</u></u>

WALTON COUNTY, GEORGIA
SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	<u>Project Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total To Date</u>
Revenues				
Taxes	\$ 43,700,000	\$ 15,946,388	\$ 8,094,133	\$ 24,040,521
Investment income	-	897,260	171,351	1,068,611
Miscellaneous	-	(6,710)	412	(6,298)
Total revenues	<u>43,700,000</u>	<u>16,836,938</u>	<u>8,265,896</u>	<u>25,102,834</u>
Expenditures				
Current:				
General government	-	-	465,034	(465,034)
Public safety	-	-	1,616	(1,616)
Culture and recreation	-	-	30,406	(30,406)
Debt service:				
Issuance costs	330,000	358,509	-	358,509
Capital outlay	43,700,000	21,691,586	6,245,063	27,936,649
Total expenditures	<u>44,030,000</u>	<u>22,050,095</u>	<u>6,742,119</u>	<u>27,798,102</u>
Excess of revenues over (under) expenditures	<u>(330,000)</u>	<u>(5,213,157)</u>	<u>1,523,777</u>	<u>(3,689,380)</u>
Other financing sources (uses)				
Bond proceeds general obligation	27,880,000	27,880,000	-	27,880,000
Premiums on debt issued	421,788	421,788	-	421,788
Transfers in	-	448,786	-	448,786
Transfers (out)	(31,324,500)	(13,697,608)	(6,847,175)	(20,544,783)
Total other financing sources and (uses)	<u>(3,022,712)</u>	<u>15,052,966</u>	<u>(6,847,175)</u>	<u>8,205,791</u>
Net change in fund balances	<u>\$ (3,352,712)</u>	<u>\$ 9,839,809</u>	<u>(5,323,398)</u>	<u>\$ 4,516,411</u>
Fund balances - beginning			<u>9,854,459</u>	
Fund balances - ending			<u>\$ 4,531,061</u>	

WALTON COUNTY, GEORGIA
Debt Service Fund
Balance Sheet
June 30, 2005

	<u>2005</u>
Assets	
Investments with fiscal agent	\$ 605,801
Total assets	<u>\$ 605,801</u>
 Liabilities and fund balance	
Liabilities:	
Accrued interest payable	\$ 64,306
Total liabilities	<u>64,306</u>
 Fund balance:	
Unreserved	<u>541,495</u>
Total fund balance	<u>541,495</u>
Total liabilities and fund balance	<u><u>\$ 605,801</u></u>

WALTON COUNTY, GEORGIA
Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest and dividends	\$ -	\$ -	\$ 10,802	\$ 10,802
Total revenues	<u>-</u>	<u>-</u>	<u>10,802</u>	<u>10,802</u>
Expenditures				
General Government	-	-	693,963	(693,963)
Debt service				
Principal	7,951,270	7,951,270	7,170,823	780,447
Interest	1,113,147	1,113,147	954,608	158,539
Administrative	5,325	5,325	12,238	(6,913)
Total expenditures	<u>9,069,742</u>	<u>9,069,742</u>	<u>8,831,632</u>	<u>238,110</u>
Excess of revenues under expenditures	<u>(9,069,742)</u>	<u>(9,069,742)</u>	<u>(8,820,830)</u>	<u>248,912</u>
Other financing sources (uses)				
Capital lease proceeds	-	-	-	-
Transfers (out)	-	-	-	-
Transfers in	8,980,121	8,980,121	8,853,236	(126,885)
Total other financing sources (uses)	<u>8,980,121</u>	<u>8,980,121</u>	<u>8,853,236</u>	<u>(126,885)</u>
Excess of revenues and other sources under expenditures and other uses	<u>\$ (89,621)</u>	<u>\$ (89,621)</u>	<u>32,406</u>	<u>\$ 122,027</u>
Fund balance - beginning			509,089	
Fund balance - ending			<u>\$ 541,495</u>	

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Volunteer Fire – This fund is used to account for donations given to the various volunteer stations around the County.

Capital Projects Fund

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

WALTON COUNTY, GEORGIA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2005

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash	\$ 795,223	\$ 100	\$ 795,323
Accounts receivable	9,742	-	9,742
Investments	-	-	-
Due from other funds	3,255	-	3,255
Due from other governments	27,315	-	27,315
Total assets	<u>\$ 835,535</u>	<u>\$ 100</u>	<u>\$ 835,635</u>
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ 46,136	\$ -	\$ 46,136
Salaries and wages payable	13,430	-	13,430
Due to other funds	17,599	-	17,599
Due to others	14,280	-	14,280
Total liabilities	<u>91,445</u>	<u>-</u>	<u>91,445</u>
Fund balances:			
Unreserved, reported in nonmajor:			
Special revenue funds	744,090	-	744,090
Capital project funds	-	100	100
Total fund balances	<u>744,090</u>	<u>100</u>	<u>744,190</u>
Total liabilities and fund balances	<u>\$ 835,535</u>	<u>\$ 100</u>	<u>\$ 835,635</u>

WALTON COUNTY, GEORGIA
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2005

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Charges for services	\$ 106,338	\$ -	\$ 106,338
Fines and forfeitures	146,553	-	146,553
Intergovernmental	469,854	462,402	932,256
Interest	9,948	-	9,948
Donations	19,347	-	19,347
Other	1,017,607	-	1,017,607
Total revenues	<u>1,769,647</u>	<u>462,402</u>	<u>2,232,049</u>
Expenditures			
Current:			
General government	473,670	-	473,670
Judicial	103,417	-	103,417
Public safety	1,582,500	-	1,582,500
Capital outlay	-	599,392	599,392
Total expenditures	<u>2,159,587</u>	<u>599,392</u>	<u>2,758,979</u>
Excess of revenues over (under) expenditures	<u>(389,940)</u>	<u>(136,990)</u>	<u>(526,930)</u>
Other financing sources (uses)			
Transfers (out)	(437,469)	-	(437,469)
Transfers in	860,861	132,090	992,951
Total other financing sources (uses)	<u>423,392</u>	<u>132,090</u>	<u>555,482</u>
Net change in fund balance	33,452	(4,900)	28,552
Fund balance - beginning	<u>753,271</u>	<u>5,000</u>	<u>758,271</u>
Prior period adjustment	<u>(42,633)</u>	<u>-</u>	<u>(42,633)</u>
Fund balance - ending	<u>\$ 744,090</u>	<u>\$ 100</u>	<u>\$ 744,190</u>

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WALTON COUNTY, GEORGIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2005

	<u>Emergency 911</u>	<u>DARE Program</u>	<u>Forfeited Drug Seizure Fund</u>	<u>Law Library</u>	<u>Crime Victim Assistance</u>
Cash	\$ -	\$ 14,766	\$ 140,248	\$ 13,962	\$ 272,572
Accounts Receivable	5,795	-	-	-	-
Investments	-	-	-	-	-
Due from other funds	-	-	3,255	-	-
Due from other governments	-	-	-	-	-
Due from others	-	-	-	-	-
Total assets	<u>\$ 5,795</u>	<u>\$ 14,766</u>	<u>\$ 143,503</u>	<u>\$ 13,962</u>	<u>\$ 272,572</u>
Liabilities and fund balance					
Liabilities:					
Accounts payable	\$ 12,378	\$ -	\$ -	\$ -	\$ -
Salaries and wages payable	10,490	-	-	-	-
Due to other funds	-	-	-	-	-
Due to others	-	-	14,280	-	-
Total liabilities	<u>22,868</u>	<u>-</u>	<u>14,280</u>	<u>-</u>	<u>-</u>
Fund balances:					
Unreserved, reported in nonmajor:					
Special revenue funds	(17,073)	14,766	129,223	13,962	272,572
Total fund balances	<u>(17,073)</u>	<u>14,766</u>	<u>129,223</u>	<u>13,962</u>	<u>272,572</u>
Total liabilities and fund balance	<u>\$ 5,795</u>	<u>\$ 14,766</u>	<u>\$ 143,503</u>	<u>\$ 13,962</u>	<u>\$ 272,572</u>

<u>DATE</u>	<u>Clerk's Authority</u>	<u>Juvenile Supplemental Services</u>	<u>Multiple Grant Fund</u>	<u>Volunteer Fire</u>	<u>Sheriff's Department</u>	<u>Greenspace Trust Fund</u>	<u>Total</u>
\$ 44,434	\$ 73,287	\$119,180	\$ 146	\$ 15,232	\$101,396	\$ -	\$ 795,223
3,947	-	-	-	-	-	-	9,742
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,255
-	-	-	27,315	-	-	-	27,315
-	-	-	-	-	-	-	-
<u>\$ 48,381</u>	<u>\$ 73,287</u>	<u>\$119,180</u>	<u>\$ 27,461</u>	<u>\$ 15,232</u>	<u>\$101,396</u>	<u>\$ -</u>	<u>\$ 835,535</u>
\$ 27,598	\$ -	\$ -	\$ 6,160	\$ -	\$ -	\$ -	\$ 46,136
-	-	-	2,940	-	-	-	13,430
-	-	-	14,054	-	3,545	-	17,599
-	-	-	-	-	-	-	14,280
<u>27,598</u>	<u>-</u>	<u>-</u>	<u>23,154</u>	<u>-</u>	<u>3,545</u>	<u>-</u>	<u>91,445</u>
20,783	73,287	119,180	4,307	15,232	97,851	-	744,090
<u>20,783</u>	<u>73,287</u>	<u>119,180</u>	<u>4,307</u>	<u>15,232</u>	<u>97,851</u>	<u>-</u>	<u>744,090</u>
<u>\$ 48,381</u>	<u>\$ 73,287</u>	<u>\$119,180</u>	<u>\$ 27,461</u>	<u>\$ 15,232</u>	<u>\$101,396</u>	<u>\$ -</u>	<u>\$ 835,535</u>

WALTON COUNTY, GEORGIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2005

	<u>Emergency 911</u>	<u>DARE Program</u>	<u>Forfeited & Seized Drug Fund</u>	<u>Law Library</u>	<u>Crime Victim Assistance</u>
Revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	83,035
Intergovernmental	-	-	176,522	54,008	-
Interest	-	28	617	1,564	3,865
Donations	-	17,229	-	-	-
Other	975,274	-	-	-	-
Total revenues	<u>975,274</u>	<u>17,257</u>	<u>177,139</u>	<u>55,572</u>	<u>86,900</u>
Expenditures					
General government	-	-	-	-	-
Judicial	-	-	-	103,417	-
Public safety	1,319,221	18,359	59,581	-	30,879
Total expenditures	<u>1,319,221</u>	<u>18,359</u>	<u>59,581</u>	<u>103,417</u>	<u>30,879</u>
Excess of revenues over (under) expenditures	<u>(343,947)</u>	<u>(1,102)</u>	<u>117,558</u>	<u>(47,845)</u>	<u>56,021</u>
Other financing sources (uses)					
Transfers (out)	(293,774)	-	(3,254)	-	(62,002)
Transfers in	708,752	-	-	-	-
Total other financing sources (uses)	<u>414,978</u>	<u>-</u>	<u>(3,254)</u>	<u>-</u>	<u>(62,002)</u>
Net change in fund balance	71,031	(1,102)	114,304	(47,845)	(5,981)
Fund balance - beginning	<u>(88,104)</u>	<u>15,868</u>	<u>57,552</u>	<u>61,807</u>	<u>278,553</u>
Prior period adjustment	-	-	(42,633)	-	-
Fund balance - ending	<u>\$ (17,073)</u>	<u>\$ 14,766</u>	<u>\$ 129,223</u>	<u>\$ 13,962</u>	<u>\$ 272,572</u>

<u>DATE</u>	<u>Clerk's Authority</u>	<u>Juvenile Supplemental Services</u>	<u>Multiple Grant Fund</u>	<u>Volunteer Fire</u>	<u>Sheriff's Department</u>	<u>Greenspace Trust Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$106,338	\$ -	\$ 106,338
63,518	-	-	-	-	-	-	146,553
-	-	-	239,324	-	-	-	469,854
1,497	1,428	-	457	-	350	142	9,948
-	-	-	-	2,118	-	-	19,347
-	11,554	25,823	-	-	4,956	-	1,017,607
<u>65,015</u>	<u>12,982</u>	<u>25,823</u>	<u>239,781</u>	<u>2,118</u>	<u>111,644</u>	<u>142</u>	<u>1,769,647</u>
-	-	-	381,995	-	91,025	650	473,670
-	-	-	-	-	-	-	103,417
113,159	-	17,850	-	23,451	-	-	1,582,500
<u>113,159</u>	<u>-</u>	<u>17,850</u>	<u>381,995</u>	<u>23,451</u>	<u>91,025</u>	<u>650</u>	<u>2,159,587</u>
<u>(48,144)</u>	<u>12,982</u>	<u>7,973</u>	<u>(142,214)</u>	<u>(21,333)</u>	<u>20,619</u>	<u>(508)</u>	<u>(389,940)</u>
-	(35,684)	-	(42,755)	-	-	-	(437,469)
-	-	-	152,109	-	-	-	860,861
-	(35,684)	-	109,354	-	-	-	423,392
(48,144)	(22,702)	7,973	(32,860)	(21,333)	20,619	(508)	33,452
<u>68,927</u>	<u>95,989</u>	<u>111,207</u>	<u>37,167</u>	<u>36,565</u>	<u>77,232</u>	<u>508</u>	<u>753,271</u>
-	-	-	-	-	-	-	(42,633)
<u>\$ 20,783</u>	<u>\$ 73,287</u>	<u>\$119,180</u>	<u>\$ 4,307</u>	<u>\$15,232</u>	<u>\$ 97,851</u>	<u>\$ -</u>	<u>\$ 744,090</u>

WALTON COUNTY, GEORGIA
Emergency 911 Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Other	\$ 877,799	\$ 877,799	\$ 975,274	\$ 97,475
Total revenues	<u>877,799</u>	<u>877,799</u>	<u>975,274</u>	<u>97,475</u>
Expenditures				
Public safety	1,414,901	1,414,901	1,319,221	95,680
Total expenditures	<u>1,414,901</u>	<u>1,414,901</u>	<u>1,319,221</u>	<u>95,680</u>
Excess of revenues under expenditures	(537,102)	(537,102)	(343,947)	193,155
Other financing sources (uses)				
Transfers (out)	(877,799)	(877,799)	(293,774)	584,025
Transfers in	1,255,843	1,255,843	708,752	(547,091)
Total other financing sources (uses)	<u>378,044</u>	<u>378,044</u>	<u>414,978</u>	<u>36,934</u>
Net change in fund balance	<u>\$ (159,058)</u>	<u>\$ (159,058)</u>	71,031	<u>\$ 230,089</u>
Fund balance - beginning			<u>(88,104)</u>	
Fund balance - ending			<u>\$ (17,073)</u>	

WALTON COUNTY, GEORGIA
DARE Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Donations	\$ 23,150	\$ 23,150	\$ 17,229	\$ (5,921)
Interest	-		28	28
Total revenues	<u>23,150</u>	<u>23,150</u>	<u>17,257</u>	<u>(5,893)</u>
Expenditures				
Public safety	<u>23,150</u>	<u>23,150</u>	<u>18,359</u>	<u>4,791</u>
Total expenditures	<u>23,150</u>	<u>23,150</u>	<u>18,359</u>	<u>4,791</u>
Excess of revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	(1,102)	<u>\$ (1,102)</u>
Fund balance - beginning			<u>15,868</u>	
Fund balance - ending			<u>\$ 14,766</u>	

WALTON COUNTY, GEORGIA
Forfeited & Seized Drug Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 271	\$ 271	\$ 617	\$ 346
Intergovernmental	37,006	94,425	176,522	
Other	46,635	-	-	-
Total revenues	<u>83,912</u>	<u>94,696</u>	<u>177,139</u>	<u>346</u>
Expenditures				
Public safety	48,797	59,581	59,581	-
Total expenditures	<u>48,797</u>	<u>59,581</u>	<u>59,581</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ 35,115</u>	<u>\$ 35,115</u>	117,558	<u>\$ 346</u>
Other Financing Sources:				
Transfers in (out)			<u>(3,254)</u>	
Net change in fund balance			114,304	
Fund balance - beginning			57,552	
Prior period adjustment			<u>(42,633)</u>	
Fund balance - ending			<u>\$ 129,223</u>	

WALTON COUNTY, GEORGIA
Law Library Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 121	\$ 1,564	\$ 1,564	\$ -
Intergovernmental	62,909	54,008	54,008	-
Total revenues	<u>63,030</u>	<u>55,572</u>	<u>55,572</u>	-
Expenditures				
Judicial	42,300	103,417	103,417	-
Total expenditures	<u>42,300</u>	<u>103,417</u>	<u>103,417</u>	-
Excess of revenues over expenditures	<u>\$ 20,730</u>	<u>\$ (47,845)</u>	(47,845)	<u>\$ -</u>
Fund balance - beginning			<u>61,807</u>	
Fund balance - ending			<u>\$ 13,962</u>	

WALTON COUNTY, GEORGIA
Crime Victim Assistance Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Fines and forfeitures	\$ 70,021	\$ 83,035	\$ 83,035	\$ -
Interest Income	-	3,865	3,865	-
Total revenues	<u>70,021</u>	<u>86,900</u>	<u>86,900</u>	<u>-</u>
Expenditures				
Public safety	-	30,879	30,879	-
Total expenditures	<u>-</u>	<u>30,879</u>	<u>30,879</u>	<u>-</u>
Excess of revenues over expenditures	70,021	56,021	56,021	-
Other financing sources				
Transfers out	-	-	(62,002)	62,002
Total other financing sources	<u>-</u>	<u>-</u>	<u>(62,002)</u>	<u>62,002</u>
Net change in fund balance	<u>\$ 70,021</u>	<u>\$ 56,021</u>	(5,981)	<u>\$ 62,002</u>
Fund balance - beginning			<u>278,553</u>	
Fund balance - ending			<u>\$ 272,572</u>	

WALTON COUNTY, GEORGIA
DATEF Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 1,600	\$ 1,497	\$ 1,497	\$ -
Fines and forfeitures	53,840	63,518	63,518	-
Total revenues	<u>55,440</u>	<u>65,015</u>	<u>65,015</u>	-
Expenditures				
Public safety	67,159	113,159	113,159	-
Total expenditures	<u>67,159</u>	<u>113,159</u>	<u>113,159</u>	-
Excess of revenues under expenditures	<u>\$ (11,719)</u>	<u>\$ (48,144)</u>	(48,144)	<u>\$ -</u>
Fund balance - beginning			<u>68,927</u>	
Fund balance - ending			<u>\$ 20,783</u>	

WALTON COUNTY, GEORGIA
Clerk's Authority Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Interest	\$ 735	\$ 735	\$ 1,428	\$ 693
Other	19,005	19,005	11,554	(7,451)
Total revenues	<u>19,740</u>	<u>19,740</u>	<u>12,982</u>	<u>(6,758)</u>
Expenditures				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues under expenditures	19,740	19,740	12,982	(6,758)
Other financing uses				
Transfers (out)	-	-	(35,684)	(35,684)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(35,684)</u>	<u>(35,684)</u>
Net Change in Fund Balance	<u>\$ 19,740</u>	<u>\$ 19,740</u>	(22,702)	<u>\$ 42,442</u>
Fund balance - beginning			<u>95,989</u>	
Fund balance - ending			<u>\$ 73,287</u>	

WALTON COUNTY, GEORGIA
Juvenile Supplemental Services - Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Other	\$ 26,426	\$ 26,426	\$ 25,823	\$ (603)
Total revenues	<u>26,426</u>	<u>26,426</u>	<u>25,823</u>	<u>(603)</u>
Expenditures				
Public safety	25,000	25,000	17,850	7,150
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>17,850</u>	<u>7,150</u>
Excess of revenues under expenditures	<u>\$ 1,426</u>	<u>\$ 1,426</u>	7,973	<u>\$ 6,547</u>
Fund balance - beginning			<u>111,207</u>	
Fund balance - ending			<u>\$ 119,180</u>	

WALTON COUNTY, GEORGIA
Multiple Grant Fund - Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 215,000	\$ 215,000	\$ 239,324	\$ 24,324
Interest	-	-	457	457
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>239,781</u>	<u>24,781</u>
Expenditures				
General government	460,783	460,783	381,995	78,788
Total expenditures	<u>460,783</u>	<u>460,783</u>	<u>381,995</u>	<u>78,788</u>
Excess of revenues over (under) expenditures	<u>(245,783)</u>	<u>(245,783)</u>	<u>(142,214)</u>	<u>103,569</u>
Other financing sources (uses)				
Transfers out	-	-	(42,755)	(42,755)
Transfers in	-	-	152,109	152,109
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>109,354</u>	<u>109,354</u>
Net change in fund balance	<u>\$ (245,783)</u>	<u>\$ (245,783)</u>	<u>(32,860)</u>	<u>\$ 212,923</u>
Fund balance - beginning			<u>37,167</u>	
Fund balance - ending			<u>\$ 4,307</u>	

WALTON COUNTY, GEORGIA
Greenspace Trust Fund - Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	4,863	4,863	142	(4,721)
Other	-	-	-	-
Total revenues	<u>4,863</u>	<u>4,863</u>	<u>142</u>	<u>(4,721)</u>
Expenditures				
General government	246,000	246,000	650	245,350
Total expenditures	<u>246,000</u>	<u>246,000</u>	<u>650</u>	<u>245,350</u>
Excess of revenues over (under) expenditures	<u>\$ (241,137)</u>	<u>\$ (241,137)</u>	(508)	<u>\$ (250,071)</u>
Fund balance - beginning			<u>508</u>	
Fund balance - ending			<u>\$ -</u>	

WALTON COUNTY, GEORGIA
Sheriff's Department - Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Charges for Services	\$ 107,557	\$ 107,557	\$ 106,338	\$ (1,219)
Interest	50	50	350	300
Other	2,393	2,393	4,956	2,563
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>111,644</u>	<u>1,644</u>
Expenditures				
General government	<u>110,000</u>	<u>110,000</u>	<u>91,025</u>	<u>18,975</u>
Total expenditures	<u>110,000</u>	<u>110,000</u>	<u>91,025</u>	<u>18,975</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	20,619	<u>\$ (17,331)</u>
Fund balance - beginning			<u>77,232</u>	
Fund balance - ending			<u>\$ 97,851</u>	

WALTON COUNTY, GEORGIA
Volunteer Fire Fighters
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Contributions	\$ -	\$ 3,718	\$ 2,118	\$ (1,600)
Total revenues	<u>-</u>	<u>3,718</u>	<u>2,118</u>	<u>(1,600)</u>
Expenditures				
Public Safety	-	23,451	23,451	-
Total expenditures	<u>-</u>	<u>23,451</u>	<u>23,451</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ (19,733)</u>	<u>(21,333)</u>	<u>\$ (1,600)</u>
Fund balance - beginning			<u>36,565</u>	
Fund balance - ending			<u>\$ 15,232</u>	

WALTON COUNTY, GEORGIA
Capital Projects Fund
Balance Sheet
June 30, 2005

	<u>2005</u>
Assets	
Cash	\$ 100
Due from other funds	-
Total assets	<u>\$ 100</u>
Liabilities and fund balance	
Fund balances:	
Unreserved, reported in nonmajor:	
Capital project funds	<u>\$ 100</u>
Total fund balance	<u>100</u>
Total liabilities and fund balance	<u>\$ 100</u>

WALTON COUNTY, GEORGIA
Capital Projects Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2005

	Capital Projects			Total To Date
	Project Budget	Prior Year	Current Year	
Revenues				
Intergovernmental	\$ 500,000	\$ 163,724	\$ 462,402	\$ 626,126
Interest	-	53	-	53
Total revenues	<u>500,000</u>	<u>163,777</u>	<u>462,402</u>	<u>626,179</u>
Expenditures				
Purchased/Contracted	-	300	-	300
Capital outlay	645,009	87,498	599,392	686,890
Total expenditures	<u>645,009</u>	<u>87,798</u>	<u>599,392</u>	<u>687,190</u>
Excess of revenues over (under) expenditures	<u>(145,009)</u>	<u>75,979</u>	<u>(136,990)</u>	<u>(61,011)</u>
Other financing sources (uses)				
Transfers in	145,009	-	132,090	132,090
Transfers out	-	(95,246)	-	(95,246)
Total other financing sources (uses)	<u>145,009</u>	<u>(95,246)</u>	<u>132,090</u>	<u>36,844</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (19,267)</u>	<u>(4,900)</u>	<u>\$ (24,167)</u>
Fund balance - beginning			<u>5,000</u>	
Fund balance - ending			<u>\$ 100</u>	

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Nonmajor Business-type Funds

Internal Service Funds

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

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

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

WALTON COUNTY, GEORGIA
Internal Service Funds
Combining Statement of Net Assets
June 30, 2005

	Employee Benefits Fund	Workers Compensation Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 53,277	\$ 172,708	\$ 225,985
Investments	1,909,315	-	1,909,315
Total assets	<u>1,962,592</u>	<u>172,708</u>	<u>2,135,300</u>
Liabilities			
Current liabilities			
Bank overdraft	215,933	-	215,933
Accounts payable	333,437	6,160	339,597
Total liabilities	<u>549,370</u>	<u>6,160</u>	<u>555,530</u>
Net assets			
Unreserved:			
Designated for employee benefits	1,413,222	166,548	1,579,770
Total net assets	<u>\$ 1,413,222</u>	<u>\$ 166,548</u>	<u>\$ 1,579,770</u>

WALTON COUNTY, GEORGIA
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2005

	<u>Employee Benefits Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
Revenues			
Other revenues	\$ 4,156,859	\$ 103,871	\$ 4,260,730
Total operating revenues	<u>4,156,859</u>	<u>103,871</u>	<u>4,260,730</u>
Expenses			
Non departmental	3,840,740	189,036	4,029,776
Total operating expenses	<u>3,840,740</u>	<u>189,036</u>	<u>4,029,776</u>
Operating loss	<u>316,119</u>	<u>(85,165)</u>	<u>230,954</u>
Nonoperating revenues			
Interest earned	33,288	3,774	37,062
Net increase in fair value of investments	(5,638)	-	(5,638)
Total nonoperating revenues	<u>27,650</u>	<u>3,774</u>	<u>31,424</u>
Net loss	343,769	(81,391)	262,378
Total net assets - beginning	<u>1,069,453</u>	<u>247,939</u>	<u>1,317,392</u>
Total net assets - ending	<u>\$ 1,413,222</u>	<u>\$ 166,548</u>	<u>\$ 1,579,770</u>

WALTON COUNTY, GEORGIA
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2005

	Employee Benefits Fund	Workers Compensation Fund	Total
Cash flows from operating activities:			
Claims paid to outsiders	\$(3,508,844)	\$ (202,880)	\$ (3,711,724)
Cash from interfund services provided	4,156,859	103,871	4,260,730
Net cash used by operating activities	<u>648,015</u>	<u>(99,009)</u>	<u>549,006</u>
Cash flows from investing activities:			
Net investment income	27,650	3,774	31,424
Investment purchases	(1,909,315)	-	(1,909,315)
Net cash provided by investing activities	<u>(1,881,665)</u>	<u>3,774</u>	<u>(1,877,891)</u>
Net decrease in cash and cash equivalents	<u>(1,233,650)</u>	<u>(95,235)</u>	<u>(1,328,885)</u>
Cash and cash equivalents, July 1	1,286,927	267,943	1,554,870
Cash and cash equivalents, June 30	<u>\$ 53,277</u>	<u>\$ 172,708</u>	<u>\$ 225,985</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ 316,119	\$ (85,165)	\$ 230,954
Adjustments to reconcile operating income to net cash used by operating activities:			
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	280,301	(13,844)	266,457
Increase (decrease) in bank overdraft	51,595	-	51,595
Total adjustments	<u>331,896</u>	<u>(13,844)</u>	<u>318,052</u>
Net cash used by operating activities	<u>\$ 648,015</u>	<u>\$ (99,009)</u>	<u>\$ 549,006</u>

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Fiduciary Funds

WALTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2005

	<u>Balance 6/30/2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2005</u>
<u>TAX COMMISSIONER</u>				
Assets				
Cash	\$ 49,556	\$ 62,733,451	\$ 62,739,475	\$ 43,532
Receivables	8,315	168,302	147,223	29,394
	<u>\$ 57,871</u>	<u>\$ 62,901,753</u>	<u>\$ 62,886,698</u>	<u>\$ 72,926</u>
Liabilities				
Due to other funds	\$ -	\$ 21,833,498	\$ 21,833,498	\$ -
Due to other governments	-	40,432,160	40,432,160	-
Due to others	57,871	636,094	621,039	72,926
	<u>\$ 57,871</u>	<u>\$ 62,901,752</u>	<u>\$ 62,886,697</u>	<u>\$ 72,926</u>
<u>SHERIFF</u>				
Assets				
Cash	\$ 4,684	\$ 1,128,398	\$ 1,105,742	\$ 27,340
Liabilities				
Due to other funds	\$ (28)	\$ 844,816	\$ 838,808	\$ 5,980
Due to others	4,712	283,582	266,934	21,360
	<u>\$ 4,684</u>	<u>\$ 1,128,398</u>	<u>\$ 1,105,742</u>	<u>\$ 27,340</u>
<u>CLERK OF SUPERIOR COURT</u>				
Assets				
Cash	\$ 207,535	\$ 4,973,542	\$ 4,929,646	\$ 251,431
	<u>\$ 207,535</u>	<u>\$ 4,973,542</u>	<u>\$ 4,929,646</u>	<u>\$ 251,431</u>
Liabilities				
Due to other funds	\$ -	\$ 1,905,766	\$ 1,905,766	\$ -
Due to other governments	-	974,878	974,878	-
Due to others	207,535	2,092,898	2,049,002	251,431
	<u>\$ 207,535</u>	<u>\$ 4,973,542</u>	<u>\$ 4,929,646</u>	<u>\$ 251,431</u>

WALTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2005

	<u>Balance</u> <u>6/30/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/05</u>
<u>PROBATE COURT</u>				
Assets				
Cash	\$ -	\$ 872,998	\$ 872,998	\$ -
	<u>\$ -</u>	<u>\$ 872,998</u>	<u>\$ 872,998</u>	<u>\$ -</u>
Liabilities				
Due to other funds	\$ -	\$ 649,651	\$ 649,651	\$ -
Due to other governments	-	223,347	223,347	-
Due to others	-	-	-	-
	<u>\$ -</u>	<u>\$ 872,998</u>	<u>\$ 872,998</u>	<u>\$ -</u>
<u>MAGISTRATE COURT</u>				
Assets				
Cash	\$ 55,630	\$ 666,132	\$ 649,121	\$ 72,641
	<u>\$ 55,630</u>	<u>\$ 666,132</u>	<u>\$ 649,121</u>	<u>\$ 72,641</u>
Liabilities				
Due to other funds	\$ -	\$ 237,991	\$ 237,991	\$ -
Due to other governments	-	46,894	46,894	-
Due to others	55,630	381,247	364,236	72,641
	<u>\$ 55,630</u>	<u>\$ 666,132</u>	<u>\$ 649,121</u>	<u>\$ 72,641</u>
<u>JUVENILE COURT</u>				
Assets				
Cash	\$ 4,741	\$ 22,196	\$ 24,594	\$ 2,343
	<u>\$ 4,741</u>	<u>\$ 22,196</u>	<u>\$ 24,594</u>	<u>\$ 2,343</u>
Liabilities				
Due to other funds	\$ -	\$ 14,885	\$ 14,885	\$ -
Due to other governments	-	5,906	5,906	-
Due to others	4,741	1,405	3,803	2,343
	<u>\$ 4,741</u>	<u>\$ 22,196</u>	<u>\$ 24,594</u>	<u>\$ 2,343</u>

WALTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2005

	<u>Balance 6/30/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/05</u>
<u>TAX ASSESSORS</u>				
Assets				
Cash	\$ 1,625	\$ 8,274	\$ 9,714	\$ 185
	<u>\$ 1,625</u>	<u>\$ 8,274</u>	<u>\$ 9,714</u>	<u>\$ 185</u>
Liabilities				
Due to other funds	\$ -	\$ 7,214	\$ 7,214	\$ -
Due to other governments	1,625	1,060	2,500	185
Due to others	-	-	-	-
	<u>\$ 1,625</u>	<u>\$ 8,274</u>	<u>\$ 9,714</u>	<u>\$ 185</u>
<u>PLANNING & DEVELOPMENT</u>				
Assets				
Cash	\$ -	\$ 1,297,590	\$ 1,297,528	\$ 62
	<u>\$ -</u>	<u>\$ 1,297,590</u>	<u>\$ 1,297,528</u>	<u>\$ 62</u>
Liabilities				
Due to other funds	\$ -	\$ 1,297,590	\$ 1,297,528	\$ 62
	<u>\$ -</u>	<u>\$ 1,297,590</u>	<u>\$ 1,297,528</u>	<u>\$ 62</u>
<u>ANIMAL CONTROL</u>				
Assets				
Cash	\$ 94	\$ 36,294	\$ 34,046	\$ 2,342
	<u>\$ 94</u>	<u>\$ 36,294</u>	<u>\$ 34,046</u>	<u>\$ 2,342</u>
Liabilities				
Due to other funds	\$ 94	\$ 36,294	\$ 34,046	\$ 2,342
	<u>\$ 94</u>	<u>\$ 36,294</u>	<u>\$ 34,046</u>	<u>\$ 2,342</u>
<u>TOTALS</u>				
Assets				
Cash	\$ 323,866	\$ 71,738,876	\$ 71,662,865	\$ 399,877
Receivables	8,315	168,302	147,223	29,394
	<u>\$ 332,181</u>	<u>\$ 71,907,178</u>	<u>\$ 71,810,088</u>	<u>\$ 429,271</u>
Liabilities				
Due to other funds	\$ 66	\$ 26,818,726	\$ 26,810,408	\$ 8,384
Due to other governments	1,625	41,684,245	41,685,685	185
Due to others	330,490	3,395,227	3,305,014	420,703
	<u>\$ 332,181</u>	<u>\$ 71,898,198</u>	<u>\$ 71,801,107</u>	<u>\$ 429,272</u>

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STATISTICAL SECTION

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

Fiscal Year	General Government	Judicial	Public Safety	Highways and Streets	Health and Welfare	Culture and Recreation	Housing and Development	Debt Service	Other	Total
2005	\$ 7,367	\$ 3,804	\$ 14,856	\$ 4,639	\$ 490	\$ 1,911	\$ 1,405	\$ 8,137	\$ 6,844	\$ 49,453
2004	7,418	3,522	14,705	5,135	492	1,761	1,339	7,933	17,950	60,255
2003	5,219	2,951	13,898	4,939	629	1,403	1,144	7,411	3,605	41,199
2002	4,159	2,928	11,767	4,694	465	615	1,197	2,788	929	29,542
2001	4,080	2,443	9,323	2,718	-	53	-	2,062	5,225	25,904
2000	6,817	2,376	7,719	4,072	-	42	-	5,117	2,952	29,095
1999	6,275	2,027	6,848	3,721	-	46	-	1,291	2,406	22,614
1998	6,202	1,750	6,324	3,063	-	34	-	1,439	2,127	20,939
1997	5,533	1,782	5,571	3,198	-	39	-	1,258	2,366	19,747
1996	5,351	1,635	5,481	2,435	-	40	-	672	6,214	21,828

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

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

Fiscal Year	Licenses and Permits		Charges for Services		Fines and Forfeitures		Inter-governmental		Interest	Other	Total
	Taxes										
2005	\$ 37,521	\$ 954	\$ 3,669	\$ 1,445	\$ 1,111	\$ 409	\$ 1,184	\$ 46,293			
2004	34,801	934	4,394	1,359	734	342	371	30,321			
2003	30,321	709	1,167	1,529	3,545	542	344	38,157			
2002	23,306	747	3,197	1,507	2,008	252	65	31,082			
2001	20,156	684	2,219	1,274	67	454	194	25,048			
2000	19,144	842	752	1,040	1,097	303	1,209	24,387			
1999	17,365	741	712	967	475	257	1,205	21,722			
1998	15,365	604	629	964	581	354	1,226	19,723			
1997	15,321	482	772	870	835	309	868	19,457			
1996	14,093	389	643	752	461	377	884	17,599			

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

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

Fiscal Year	Property Tax	Sales Tax (1)	Franchise Tax	Alcoholic Beverage Tax	Insurance Premium Tax	Real Estate Transfer Tax	Other Taxes	Total
2005	\$ 20,827	\$ 13,470	\$ 130	\$ 189	\$ 1,649	\$ 995	\$ 261	\$ 37,521
2004	19,410	12,181	116	180	1,524	1,230	493	35,134
2003	17,107	10,017	125	170	1,421	1,025	184	29,865
2002	16,459	4,460	144	166	1,287	716	-	23,232
2001	14,555	4,008	144	151	876	132	-	19,866
2000	14,012	3,601	143	130	830	134	-	18,850
1999	12,508	3,219	132	116	818	97	-	16,890
1998	10,696	2,805	110	101	781	79	-	14,572
1997	10,972	2,556	89	89	742	87	-	14,535
1996	10,048	2,314	106	85	696	74	-	13,323

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

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

Fiscal Year	Total Levy	Total Tax Collections	% of Total Levy Collected	Outstanding Delinquent Taxes
2005	\$ 17,970	\$ 17,534	97.574%	\$ 436
2004	17,729	17,206	97.050%	523
2003	17,509	17,061	97.441%	448
2002	17,208	16,228	94.305%	980
2001	14,096	13,696	97.162%	400
2000	13,630	13,389	98.232%	241
1999	12,559	12,310	98.017%	249
1998	11,044	10,838	98.135%	206
1997	9,628	9,432	97.964%	196
1996	9,896	9,699	98.009%	197

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

Fiscal Year	Real Property		Personal Property		Exemptions		Total		Ratio of Total Assessed Value To Total Est. Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property	Assessed Value	Estimated Actual Value		
2005	\$ 1,818,604	\$ 4,546,510	\$ 156,584	\$ 391,460	\$ 228,990	\$ 1,746,198	\$ 4,937,970	35.4%	
2004	1,834,429	4,586,072	208,824	522,060	220,163	1,823,090	5,108,132	35.7%	
2003	1,562,512	3,906,280	199,492	498,730	139,064	1,622,940	4,405,010	36.8%	
2002	1,482,564	3,706,410	187,413	468,533	138,635	1,531,342	4,174,943	36.7%	
2001	1,238,933	3,097,333	160,755	401,888	113,569	1,286,119	3,499,221	36.8%	
2000	1,126,124	2,815,310	145,095	362,738	107,970	1,163,249	3,178,048	36.6%	
1999	968,244	2,420,610	154,023	385,058	94,661	1,027,606	2,805,668	36.6%	
1998	907,180	2,267,950	76,815	192,038	91,475	892,520	2,459,988	36.3%	
1997	790,148	1,975,370	106,677	266,693	89,300	807,525	2,242,063	36.0%	
1996	740,715	1,851,788	94,685	236,713	85,501	749,899	2,088,501	35.9%	

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

Fiscal Year	State of Georgia	Walton County		Walton County		Total
		M & O	School	M & O	School Bond	
2005	0.25	10.06	18.02	0.82	29.15	
2004	0.25	10.08	17.02	0.88	28.23	
2003	0.25	10.08	16.94	0.96	28.23	
2002	0.25	10.08	16.95	0.99	28.27	
2001	0.25	10.09	16.95	0.99	28.28	
2000	0.25	10.09	18.04	1.05	29.43	
1999	0.25	10.46	17.28	1.37	29.36	
1998	0.25	10.69	15.32	1.54	27.80	
1997	0.25	10.83	15.32	1.68	28.08	
1996	0.25	11.83	15.75	1.75	29.58	

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

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Levied</u>	<u>Percentage of Total Assessed Value</u>
Walton EMC	\$ 17,802	519	1.02%
Pike Electric Inc.	15,401	449	0.88%
Transcontinental Gas	13,412	391	0.77%
Avondale Mills	7,591	218	0.43%
Alltell GA Communications	7,135	208	0.41%
Monroe HMA Inc.	5,327	153	0.31%
Georgia Power Corp.	5,076	148	0.29%
L & P Materials MFG Inc.	4,939	144	0.28%
Meridian Homes	4,768	139	0.27%
BellSouth Telecomm Inc.	4,425	129	0.25%
	<u>\$ 85,876</u>	<u>\$ 2,498</u>	<u>4.91%</u>

Total Assessed for all Taxpayers \$ 1,746,198

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

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessments Collected</u>	<u>Collected as Percentage of Billings</u>
2005	\$ 301	\$ 298	99.0%
2004	271	259	95.6%
2003	235	234	99.6%
2002	201	200	99.5%
2001	178	181	101.7%
2000	160	159	99.4%
1999	521	522	100.2%
1998	856	841	98.2%
1997	728	781	107.3%
1996	794	785	98.9%

WALTON COUNTY, GEORGIA
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
Fiscal year ended June 30, 2005
(amounts expressed in thousands)
(Unaudited)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
County Certificates of Participation 1994 General Obligation Bonds	1,215 <u>10,750</u>	100% 100%	1,215 <u>10,750</u>
Total Direct	11,965		11,965
Overlapping:			
Walton County Board of Education Walton County Development Authority Joint Development Authority of Jasper Morgan, Newton & Walton Counties	7,705 1,300 <u>7,800</u>	100% 100% 37.50%	7,705 1,300 <u>2,925</u>
Total Overlapping	<u>16,805</u>		<u>11,930</u>
Total Direct and Overlapping	28,770		23,895

WALTON COUNTY, GEORGIA
Computation of Legal Debt Margin
Fiscal year ended June 30, 2005
 (amounts expressed in thousands)
 (Unaudited)

Assessed valuations:	
Assessed value	\$ 1,746,198
Add back: exempt real property	<u>228,990</u>
Total assessed value	1,975,188
Legal debt margin:	
Debt limitation-10% of assessed value	197,519
Debt applicable to limitation:	11,965
Total bonded debt	<u>-</u>
Less: Revenue bonds	<u>11,965</u>
Total debt applicable to limitation	\$ 185,554
Legal debt margin:	