

**WALTON COUNTY, GEORGIA**

**Financial Statements**

**For the Fiscal Year Ended June 30, 2003**

**WALTON COUNTY, GEORGIA**  
**Financial Statements**  
**For the Fiscal Year Ended June 30, 2003**

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# **INTRODUCTORY SECTION**

# WALTON COUNTY, GEORGIA

## Principal Officials

### Board of Commissioners

2003

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

### Other Elected Officials

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

# **FINANCIAL SECTION**

# Treadwell, Jamplin & Co.

Certified Public Accountants

A Limited Liability Partnership

157 West Jefferson Street  
Madison, Georgia 30650

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

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of  
Walton County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Walton County, Georgia as of and for the year ended June 30, 2003, 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 general purpose financial statements based on our audit. We did not audit the financial statements of the Walton County Health Department, which represent 16% and 73%, respectively, of the assets and revenues of the component unit columns. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Walton County Health Department, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the 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, 2003, 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 November 10, 2003 on our consideration of Walton County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Walton County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Treadwell, Tamplin & Co., CPA's*  
November 10, 2003

*Treadwell, Tamplin & Co.*

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**WALTON COUNTY GOVERNMENT  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003**

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Our discussion and analysis of Walton County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2003. Please read it in conjunction with the County's financial statements, which begin on page 1 and the Notes to the Financial Statements, which begin on page 16. Additional information about the County is also provided in the Statistical Section, which begins on page 70.

**FINANCIAL HIGHLIGHTS**

- The County's net assets totaled \$66.2 million for its governmental and business-type activities, an *increase* of \$4.0 million over the previous fiscal year.
- Total combined revenues for governmental and business-type activities were \$40.8 million, an *increase* of \$4.3 million over the previous fiscal year.
- Overall expenses were \$37.1 million, of which governmental activities were \$34.5 and business-type activities were \$2.6 million, an *increase* of \$5.0 million.
- As of June 30, 2003, governmental activities' expenses exceeded program revenue, resulting in the use of \$26.2 million in general revenues (primarily taxes).
- In the County's business-type activities, revenues were \$1.6 million and expenses were \$2.5 million, for an operating loss of approximately \$0.89 million for 2003. This compares favorably with an operating loss of \$0.95 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 \$0.37 million *more* than originally budgeted, and expenditures were \$.81 million *more* than originally budgeted. The continuing escalation of costs to house County inmates in other Counties while the addition to the Walton County jail is being completed contributed almost \$.73 million to additional expenditures. The opening of a 60-bed work-release facility during the fiscal year did not reduce jail housing expenditures to the degree projected by the Sheriff.
- The combined governmental funds' balance as of June 30, 2003 was \$34.3 million, of which the special local option sales tax (SPLOST) Capital Projects Fund comprised \$26.8 million, the General Fund \$5.9 million and other governmental funds (special revenue, capital projects and debt service) the remaining \$1.7 million.
- The General Fund reported a *decrease* of \$.87 million in unreserved fund balance to \$5.9 million from the prior fiscal year. This compares with an unreserved fund balance of \$6.8 million and an increase of \$1.2 million in unreserved fund balance for the prior year.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The *Statement of Net Assets* and the *Statement of Activities* (on pages 1- 3) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. The *Statement of Activities* presents information showing *how* the County's net assets changed during the most

recent fiscal year. The governmental fund financial statements start on page 4. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

## **Government-wide Reporting:**

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

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

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

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

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

## **Reporting the County's Most Significant Funds**

### **Fund Financial Statements**

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

- *Governmental funds*—Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the County's

general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between government-wide information (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental fund information in reconciliations on pages 5 and 7, respectively.

- *Proprietary funds*—When the County charges customers for the services it provides—whether to outside customers or to other units of the County—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Assets* and the *Statement of Activities*. In fact, the County's enterprise funds (a type of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The County's Employee Benefits and Worker's Compensation Funds, used to pay for health care and worker's compensation claims, are included in the proprietary fund group as internal service funds. The proprietary fund statements begin on page 10.

## The County as Trustee

### Reporting the County's Fiduciary Responsibilities

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

## THE COUNTY AS A WHOLE

### NET ASSETS:

The County's *combined* net assets increased \$4.0 million from a year ago—from \$62.2 million to \$66.2 million. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County's governmental and business-type activities.

**Table 1**  
**Net Assets**  
**(000's Omitted)**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Assets:</b>						
Current assets	\$ 37,321	\$ 41,700	\$ 343	\$ 191	\$ 37,664	\$ 41,891
Restricted assets-non current	-	27	-	-	-	27
Capital assets-net	57,256	53,945	838	755	58,094	54,700
Other assets	3,375	3,375	-	-	3,375	3,375
<b>Total assets</b>	<u>97,952</u>	<u>99,047</u>	<u>1,181</u>	<u>946</u>	<u>99,133</u>	<u>99,993</u>
<b>Liabilities:</b>						
Long-term debt outstanding	30,138	29,110	-	-	30,138	29,110
Other liabilities	2,665	8,530	97	90	2,762	8,620
<b>Total liabilities</b>	<u>32,803</u>	<u>37,640</u>	<u>97</u>	<u>90</u>	<u>32,900</u>	<u>37,730</u>
<b>Net Assets:</b>						
Invested in capital assets, net of debt	47,680	48,630	838	755	48,518	49,385
Restricted	4,053	3,677	-	-	4,053	3,677
Unrestricted	13,416	9,100	246	101	13,662	9,201
<b>Total net assets</b>	<u>\$ 65,149</u>	<u>\$ 61,407</u>	<u>\$ 1,084</u>	<u>\$ 856</u>	<u>\$ 66,233</u>	<u>\$ 62,263</u>

The County's total net assets (governmental and business-type activities) were \$66.2 million as of June 30, 2003. *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 \$13.6 million at the end of this year, as compared with \$9.2 million at the end of the prior year.

The largest portion of the County's net assets (approximately 73.2 %) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks) less any debt used to acquire those assets that remains outstanding. The County uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Included in the County's combined current assets of \$37.3 million for governmental activities is \$26.4 million from the proceeds of the Special Local Option Sales Tax Bonds issued December 21, 2001 for construction of a County administration and judicial facility, additions to the County jail and for park and recreation facilities. These projects are currently in the construction phase and are expected to be completed by November of 2004. The County received a 25-acre tract as a donation from a local landowner for the new administration building, with a fair market value of \$875,000. During the current year, another local landowner has initiated the donation of 42 acres of park and recreation property combined with a sale to the County of 17 acres for perpetual greenspace.

The total net assets of our business-type activities increased by 26.6 percent (\$1.1 million compared to \$0.86 million) in 2003. Such increases, however, cannot be used to make up for any decrease in governmental activities. The County can only use these net assets to finance the continuing operations of the Solid Waste & Recycling Operations and the Emergency Medical Services. The increase in total net assets of the County's business-type activities is primarily due to the addition of Emergency Medical Services to the County's existing business-type activity, Solid Waste & Recycling Operations, on July 1, 2001.

The County reports positive balances in all categories of net assets for FY 2003.

**CHANGES IN NET ASSETS:**

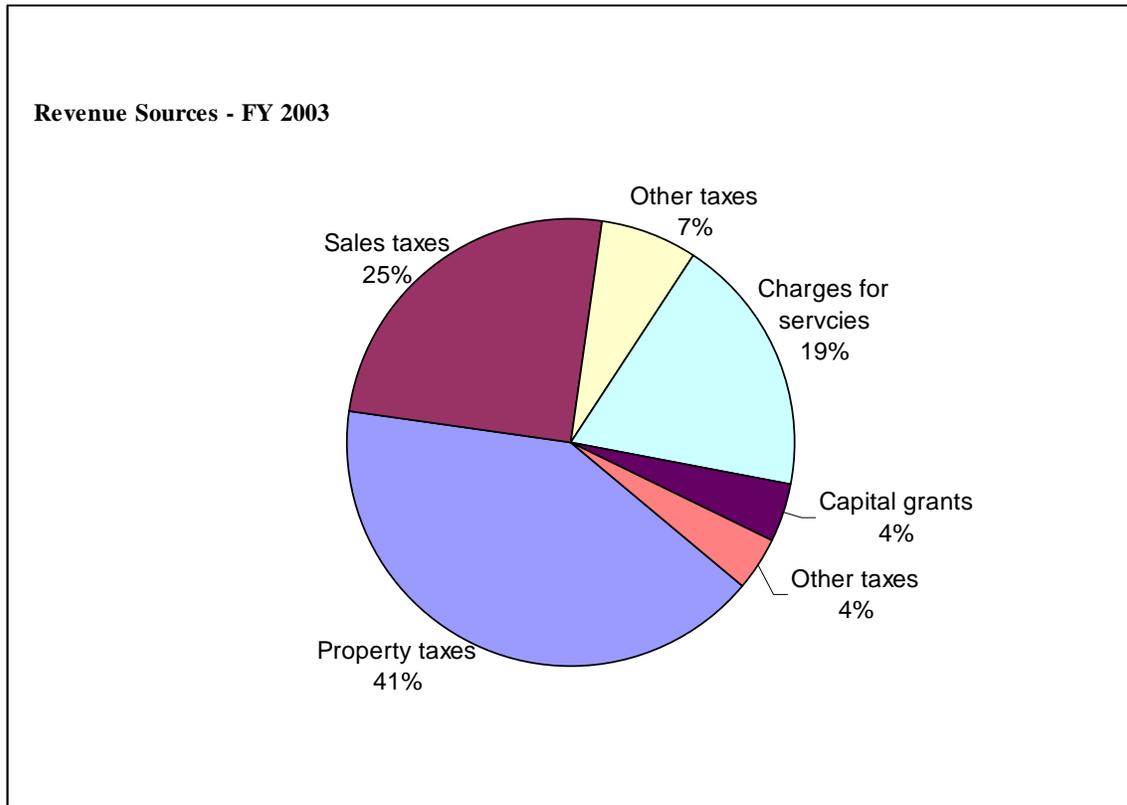
The County's total change in net assets was \$3.6 million from the prior fiscal year as a result of its governmental activities and \$0.23 million as a result of its business-type activities.

The imposition of a new 1% special local option sales tax beginning on January 1, 2002, which raised \$6.0 million during FY 2003 and \$2.7 million during FY 2002, resulted in a significant increase again in other tax revenues from the prior fiscal year.

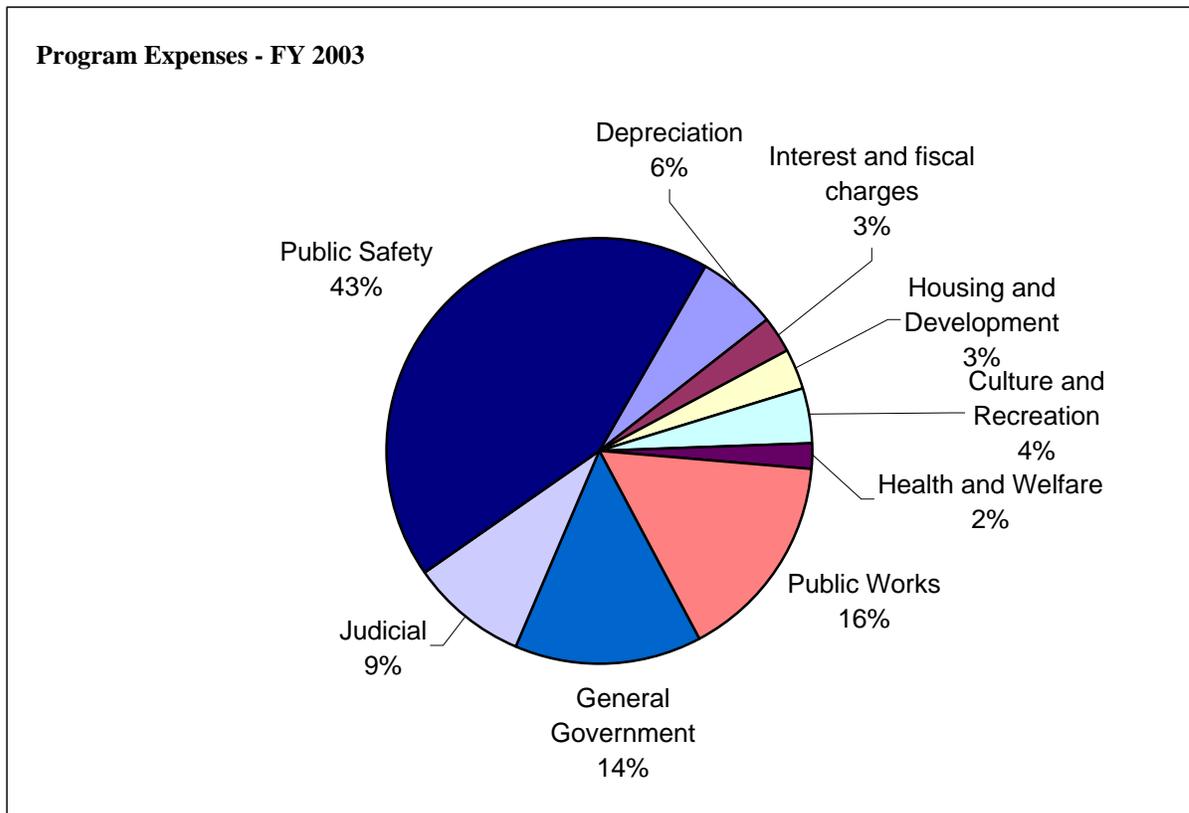
**Table 2**  
**Changes in Net Assets**  
(000's Omitted)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 6,058	\$ 5,389	\$ 1,522	\$ 1,473	\$ 7,580	\$ 6,862
Operating grants	431	1,850	99	74	530	1,924
Capital grants	1,831	220	-	119	1,831	339
General revenues:						
Property taxes	16,904	17,186	-	-	16,904	17,186
Other taxes	12,842	9,552	-	-	12,842	9,552
Franchise fees	125	143	-	-	125	143
Investment earnings	560	565	1	1	561	565
Gain /(loss) and other	466	(44)	8		474	(44)
<b>Total revenues</b>	<b>39,217</b>	<b>34,861</b>	<b>1,630</b>	<b>1,666</b>	<b>40,847</b>	<b>36,527</b>
<b>Program expenses</b>						
General government	5,257	4,694	-	-	5,257	4,694
Judicial	3,206	3,170	-	-	3,206	3,170
Public Safety	14,254	12,773	1,638	1,667	15,892	14,440
Public Works	5,080	3,247	877	951	5,957	4,198
Health and welfare	825	465	-	-	825	465
Culture and recreation	1,337	639	-	-	1,337	639
Housing and development	1,232	1,290	-	-	1,232	1,290
Interest and fiscal charges	1,257	1,057	-	-	1,257	1,057
Unallocated depreciation	2,105	2,133	-	-	2,105	2,133
<b>Total expenses</b>	<b>34,553</b>	<b>29,469</b>	<b>2,515</b>	<b>2,618</b>	<b>37,068</b>	<b>32,087</b>
Transfers	(1,113)	(1,161)	1,113	1,161	-	-
<b>Increase (decrease) in net assets</b>	<b>3,551</b>	<b>4,230</b>	<b>228</b>	<b>209</b>	<b>3,779</b>	<b>4,440</b>
<b>Net assets - beginning</b>	<b>61,408</b>	<b>-</b>	<b>856</b>	<b>-</b>	<b>62,264</b>	<b>-</b>
Prior period adjustment	190	-	-	-	190	-
<b>Net assets - beginning, restated</b>	<b>61,598</b>	<b>57,177</b>	<b>856</b>	<b>647</b>	<b>62,454</b>	<b>57,824</b>
<b>Net assets - ending</b>	<b>\$ 65,149</b>	<b>\$ 61,407</b>	<b>\$ 1,084</b>	<b>\$ 856</b>	<b>\$ 66,233</b>	<b>\$ 62,264</b>

As can be seen from the chart below, approximately 41% of the County's combined total revenue is provided by property taxes, an additional 32% by sales and other taxes, and the remaining 27% by a combination of fees, fines, grants, cash donations and investment income. The various County Fire Stations during the year have raised significant cash contributions to help equip additional rescue vehicles and to acquire special life-saving equipment. The County charges fees for services as varied as housing stray animals, disposal of non-recyclables, providing certified copies of documents, issuing building permits, providing emergency medical transport; in addition, the Courts (Superior, Probate, Magistrate & Juvenile) impose fines for violations of laws and ordinances.



The County's major expenses, at 43% of the combined total, are clearly in the area of providing services to insure the public safety. Public Safety includes the Sheriff, jail operations, fire protection, emergency medical services, E-911, coroner, animal control, and emergency management. Increased spending in the area of Culture and Recreation during FY 2003 is the result of a new and very successful county-wide park and recreation department, involving several thousand youth in softball, basketball, cheerleading, summer camp, football and soccer programs, which began August 2002. The County continually assesses the condition of its infrastructure and engages in systematic preventive maintenance as well as improvements on the 691 miles of county-maintained roads. The County added 16 new subdivisions during FY 2003, with a total of almost 1,000 acres. Average lot size is slightly more than 1 acre.



**THE COUNTY'S FUNDS**

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

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

The County ended the 2003 fiscal year with a balance of \$34.3 million in its governmental funds. Of this, virtually all was unreserved. A small amount in the current fiscal year is reserved for inventories, encumbrances, and non-current assets.

## **Major Funds:**

### **General Fund**

The General Fund is the operating fund of the County. At the end of the current year, the fund unreserved balance was \$5.9 million, which is available for spending in the coming year. As a measure of liquidity, it may be useful to compare the unreserved fund balance to the sum of total expenditures for the General Fund and total other financing uses. The *unreserved* General Fund balance represents 19.1% of that total.

The fund balance in the general fund *decreased* \$0.87 million during FY 2003, primarily due to an increase in expenditures of \$3.6 million but only a \$1.7 million increase in revenues over the prior year. Increased tax revenues from new development provided the bulk of the increase in revenues and 2002 tax digest reassessments, as the County millage rate remained unchanged for 2003 property taxes. With the economic uncertainties surrounding the events of September 11, 2001, County offices made a concerted effort to forego all but the most essential expenditures for the remainder of the fiscal year. Increased expenditures for Public Safety were \$1.8 million and a new County-wide Park and Recreation Department accounted for an additional \$.79 million. Additional information about the General Fund can be found in Exhibit 1, pages 36-42.

### **Special Local Option Sales Tax (SPLOST) Capital Projects Fund**

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

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

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

- \$8.3 million for road and bridge improvements

Capital outlay on the projects for the buildings and park facilities was \$3.0 million for the fiscal year, for approximately 14% expended by the end of the fiscal year of the total bonded for SPLOST. The SPLOST fund balance was \$26.8 million at the close of FY 2003. Additional information on the SPLOST Capital Projects Fund can be found in Exhibit 2, page 43.

### **Other Governmental Funds:**

Combined assets were \$1.9 million; liabilities \$0.22 million; and unreserved fund balance was almost \$1.7 million for the year ended June 30, 2003. These totals are a combination of the following:

#### **Special Revenue Funds**

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

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

Combined total assets of the above funds were \$1.3 million as of June 30, 2003; liabilities \$0.84 million and unreserved fund balances were almost \$1.2 million.

#### **Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from government resources and lease principal

and interest when the County is obligated for the payment. The Debt Service fund assets were \$0.60 million; liabilities were \$0.14 million and fund balance was \$0.46 million at the close of FY 2003.

#### **Capital Projects Funds**

The funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. Capital Projects Funds had \$0.18 million in assets; \$0.0 million in liabilities; and fund balance of \$0.18 million as of June 30, 2003.

#### **Proprietary Funds**

The County reports two business-type activities as proprietary funds: Solid Waste and Recycling Operations and Emergency Medical Services. The County's shortfall in its Solid Waste & Recycling Operations contributed approximately \$0.55 million, (or 53 %) to the business-type activities operating loss, while Emergency Medical Services contributed the remaining \$0.43 million, (or 47%). This compares with an operating loss for the prior fiscal year of \$0.70 million for Solid Waste & Recycling Operations and \$0.44 million for operating losses on ambulance services for the prior year. The County began providing Emergency Medical Services on July 1, 2001. Operating losses in these two business-type activities are offset by the use of general revenues.

The County's two internal service funds for employee health care and worker's compensation claims had assets of \$.74 million; liabilities of \$0.69 million; and unreserved fund balances totaling \$0.57 million.

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

#### **Fiduciary Funds**

These agency funds' balances are due to other funds and others as of the fiscal year end. Additional information is available on pages 69-71 of the Combining and Individual Fund Statements and Schedules Section. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary funds assets and liabilities are \$0.44 million.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level. The most significant budget is that of the General Fund. The Board of Commissioners amends this budget throughout the fiscal year. The most significant increases (\$1.0 million) in budget line items were for expenses related to Sheriff and jail operations: housing inmates in other County jails; the costs of providing inmate medical care; the costs of providing Court services; and increased police services for municipalities only partially offset by additional fees. The County completed construction of a new work-release facility that was used to house inmates beginning in February 2003 to provide 60 additional beds for non-violent inmates and increased the hours of medical services included in the jail medical services contract for FY 2003.

Although both the County's original budget and the final budget projected virtually no increase in fund balance, the actual revenues and expenditures resulted in a \$.87 million decrease in fund balance on the GAAP basis. . The Board of Commissioners exerts considerable control over expenditures during the course of the fiscal year and continually seeks more efficient and cost effective means for providing necessary services.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2003 amounts to \$58.1 million, net of accumulated depreciation of \$99.5 million. This investment in capital assets includes land, site improvements, construction-in-progress, buildings and building improvements, equipment, and, beginning with fiscal year 2002, infrastructure.

Infrastructure assets (roads, bridges, curbs, gutters, storm drains, and so forth.) are items that have

been heretofore not considered assets at all by this County, having been viewed as immovable, without a market in which they could be sold, without readily determinable current values, possessed of both erratic and unpredictable useful lives, subject to continual acts of God (and man), and of indeterminable salvage value, at best.

Total capital assets, as restated, net of additions, retirements and depreciation, increased \$3.3 million for governmental activities and \$.08 million for business-type activities. Depreciation expense for the governmental activities for the period was \$3.6 million, of which \$2.1 million was for infrastructure and \$.88 million for business-type activities. Additional information on Capital Assets can be found in Note 4 of the *Notes to the Financial Statements*, beginning on page 23.

### **Long-term Debt**

As of June 30, 2003, Walton County had \$30.2 million in outstanding debt principal, of which \$6.1 million is due within one year. Of the debt due within one year, \$6.0 million represents principal payments on the \$27,880,000 General Obligation Special Local Option Sales Tax Bonds issued December 21, 2001. Standard and Poor's assigned this bond issue a "AAA" rating. County's revenues on SPLOST for sales taxes collected beginning January 1, 2002 through June 30, 2003 were \$2.7 million. It is expected that the County will be able to make the debt service payments for the sales tax bond with special sales tax revenues during the next fiscal year. The County issued no new bonds during the fiscal year.

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

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

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

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

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

The Board of Commissioners is dedicated to planning and preparing for growth, and anticipates adoption of a revised Comprehensive Land Use Plan before the end of 2003.

### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Walton County Finance Department, at Annex I, 132 East Spring Street, Monroe, Georgia 30655, or call 770-267-1301.

# **Basic Financial Statements**

**WALTON COUNTY, GEORGIA**  
**Statement of Net Assets**  
**June 30, 2003**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Total Component Units</b>
<b>Assets</b>				
Cash	\$ 3,389,266	\$ -	\$ 3,389,266	\$ 1,157,139
Pooled cash and investments	30,659,083	-	30,659,083	-
Investments, plus accrued interest	787,460	-	787,460	-
Accounts receivable, net	4,600	335,125	339,725	43,670
Taxes receivable, net	394,685	-	394,685	-
Internal balances	50,000	(50,000)	-	-
Due from other governments	1,756,709	50,000	1,806,709	36,283
Inventories and prepaid expenses	35,044	7,983	43,027	-
Deferred charges	244,451	-	244,451	-
Restricted assets - noncurrent	-	-	-	-
Capital assets, net	57,255,954	838,298	58,094,252	3,429,551
Other assets	3,375,000	-	3,375,000	-
<b>Total assets</b>	<b>97,952,252</b>	<b>1,181,406</b>	<b>99,133,658</b>	<b>4,666,643</b>
<b>Liabilities</b>				
Accounts payable	1,632,186	28,432	1,660,618	9,142
Due to other governments	11,880	-	11,880	-
Salaries and benefits payable	592,828	69,036	661,864	-
Deferred revenue	288,221	-	288,221	623,302
Accrued interest	141,020	-	141,020	-
Long-term liabilities:				
Portion due or payable within one year:				
Bonds and notes payable	5,980,585	-	5,980,585	650,000
Capital leases	771,952	-	771,952	-
Compensated absences	-	-	-	-
Portion due or payable after one year:				
Bonds and notes payable	22,054,392	-	22,054,392	1,950,000
Capital leases	642,281	-	642,281	-
Compensated absences	687,899	-	687,899	103,479
<b>Total liabilities</b>	<b>32,803,244</b>	<b>97,468</b>	<b>32,900,712</b>	<b>3,335,923</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	47,680,224	838,297	48,518,521	43,206
Restricted for:				
Capital projects	3,550,784	-	3,550,784	-
Debt service	464,509	-	464,509	-
Other purposes	37,587	-	37,587	-
Unrestricted	13,415,904	245,641	13,661,545	1,287,514
<b>Total net assets</b>	<b>\$ 65,149,008</b>	<b>\$ 1,083,938</b>	<b>\$ 66,232,946</b>	<b>\$ 1,330,720</b>

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

**WALTON COUNTY, GEORGIA**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2003**

Activities:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Governmental:</b>								
General government	\$5,257,022	\$ 1,250,764	\$ 33,300	\$ 875,608	\$ (3,097,350)		\$ (3,097,350)	
Judicial	3,205,893	2,021,303	139,417	-	(1,045,173)		(1,045,173)	
Public safety	14,255,148	1,699,010	199,726	112,928	(12,243,484)		(12,243,484)	
Public works	5,079,989	55,341	-	789,986	(4,234,662)		(4,234,662)	
Health and welfare	824,544	-	50,500	36,218	(737,826)		(737,826)	
Culture and recreation	1,336,924	233,864	8,017	1,074	(1,093,969)		(1,093,969)	
Housing and development	1,231,665	798,410	-	15,000	(418,255)		(418,255)	
Interest and fiscal charges	1,257,307	-	-	-	(1,257,307)		(1,257,307)	
Unallocated depreciation expense	2,104,852	-	-	-	(2,104,852)		(2,104,852)	
<b>Total governmental activities</b>	<b>34,553,344</b>	<b>6,058,692</b>	<b>430,960</b>	<b>1,830,814</b>	<b>(26,232,878)</b>		<b>(26,232,878)</b>	
<b>Business-type:</b>								
Solid waste	876,776	323,221	99,298	-		(454,257)	(454,257)	
EMS	1,638,674	1,198,411	-	-		(440,263)	(440,263)	
<b>Total business-type activities</b>	<b>2,515,450</b>	<b>1,521,632</b>	<b>99,298</b>	<b>-</b>		<b>(894,520)</b>	<b>(894,520)</b>	
<b>Component units:</b>								
Walton Co. Dev. Authority	567,559	-	350	-				(567,209)
Walton Co. Comm. on Children & Youth	52,956	-	64,936	-				11,980
Walton Co. Health Department	1,552,537	-	1,561,861	-				9,324
<b>Total component units</b>	<b>2,173,052</b>	<b>-</b>	<b>1,627,147</b>	<b>-</b>				<b>(545,905)</b>

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

**WALTON COUNTY, GEORGIA**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2003**

<u>Activities:</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			<u>Component Units</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
General revenues:								
Taxes								
Property taxes, levied for general purposes					16,904,761	-	16,904,761	-
Sales tax					10,016,686	-	10,016,686	-
Franchise fees					124,697	-	124,697	-
Other taxes					2,824,876	-	2,824,876	-
Intergovernmental revenues					364,220	-	364,220	400,608
Investment earnings					560,050	478	560,528	6,313
Miscellaneous					101,784	13,003	114,787	-
Gain/(Loss) on the sale of capital assets					-	(4,595)	(4,595)	-
Transfers					(1,113,412)	1,113,412	-	-
Total general revenues and transfers					<u>29,783,662</u>	<u>1,122,298</u>	<u>30,905,960</u>	<u>406,921</u>
					<b>3,550,784</b>	<b>227,778</b>	<b>3,778,562</b>	<b>(138,984)</b>
<b>Net assets - beginning</b>					<u>61,407,626</u>	<u>856,160</u>	<u>62,263,786</u>	<u>1,482,741</u>
<b>Prior period adjustment</b>					<u>190,598</u>	<u>-</u>	<u>190,598</u>	<u>(13,037)</u>
<b>Net assets - beginning, restated</b>					<u>61,598,224</u>	<u>856,160</u>	<u>62,454,384</u>	<u>1,469,704</u>
<b>Net assets - ending</b>					<u><u>\$65,149,008</u></u>	<u><u>\$1,083,938</u></u>	<u><u>\$66,232,946</u></u>	<u><u>\$1,330,720</u></u>

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

**WALTON COUNTY, GEORGIA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2003**

	<u>General Fund</u>	<u>SPLOST Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 2,045,920	\$ 507,717	\$ 1,070,573	\$ 3,624,210
Pooled cash and investments	3,695,992	26,367,156	-	30,063,148
Investments, plus accrued interest	-	-	756,962	756,962
Taxes receivable, net	394,710	-	-	394,710
Internal balances	607,417	-	39,000	646,417
Due from other governments	697,250	1,040,508	18,816	1,756,574
Due from others	135	-	4,575	4,710
Inventories	35,053	-	-	35,053
<b>Total assets</b>	<u>\$ 7,476,477</u>	<u>\$27,915,381</u>	<u>\$ 1,889,926</u>	<u>\$ 37,281,784</u>
<b>Liabilities and fund balance</b>				
Liabilities:				
Accounts payable	\$ 680,325	\$ 566,464	\$ 50,754	\$ 1,297,543
Internal balances	-	595,817	600	596,417
Due to others	-	-	11,880	11,880
Salaries and benefits payable	572,279	-	160,331	732,610
Deferred revenue	301,152	-	-	301,152
<b>Total liabilities</b>	<u>1,553,756</u>	<u>1,162,281</u>	<u>223,565</u>	<u>2,939,602</u>
Fund balances:				
Reserved for:				
Inventories	35,053	-	-	35,053
Encumbrances	1,460	-	-	1,460
Noncurrent assets	1,074	-	-	1,074
Unreserved	5,885,134	26,753,100	-	32,638,234
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	1,192,621	1,192,621
Debt service funds	-	-	456,153	456,153
Capital project funds	-	-	17,587	17,587
<b>Total fund balances</b>	<u>5,922,721</u>	<u>26,753,100</u>	<u>1,666,361</u>	<u>34,342,182</u>
<b>Total liabilities and fund balances</b>	<u>\$ 7,476,477</u>	<u>\$27,915,381</u>	<u>\$ 1,889,926</u>	<u>\$ 37,281,784</u>

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

**WALTON COUNTY, GEORGIA**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2003**

Total *fund* balances for governmental funds (Exhibit C) \$ 34,342,182

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	\$ 20,746,649	
Construction in progress	3,182,044	
Historical artifacts	11,000	
Land improvements, net of \$273,956 of accumulated depreciation	1,033,912	
Infrastructure, net of \$83,625,508 of accumulated depreciation	14,786,851	
Buildings and improvements, net of \$6,039,832 of accumulated depreciation	13,476,410	
Equipment, net of \$9,575,541 of accumulated depreciation	4,019,088	
Total capital assets		57,255,954

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. 301,151

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 56,838

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at June 30, 2002 are:

Certificates of participation	(1,615,000)	
Bonds and notes payable	(26,421,215)	
Capital leases	(1,414,233)	
Compensated absences	(687,899)	
Deferred amount on refunding	244,451	
Unamortized premiums	(288,221)	
Total long-term liabilities		(30,182,117)

Total net assets of governmental activities \$ 65,149,008

**WALTON COUNTY, GEORGIA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2003**

	<b>General Fund</b>	<b>SPLOST Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Taxes	\$ 24,335,466	\$ 5,985,775	\$ -	\$ 30,321,241
Licenses and permits	709,131	-	-	709,131
Intergovernmental revenue	3,088,955	-	455,664	3,544,619
Charges for services	174,812	-	992,647	1,167,459
Fines and forfeitures	1,416,491	-	112,314	1,528,805
Investment income	117,885	409,337	15,130	542,352
Contributions and donations	85,539	-	23,006	108,545
Miscellaneous	133,734	7,325	94,459	235,518
<b>Total revenues</b>	<u>30,062,013</u>	<u>6,402,437</u>	<u>1,693,220</u>	<u>38,157,670</u>
<b>Expenditures</b>				
Current:				
General government	4,576,007	-	642,825	5,218,832
Judicial	2,894,550	-	56,130	2,950,680
Public safety	12,344,042	-	1,554,012	13,898,054
Public works	4,939,256	-	-	4,939,256
Health and welfare	629,476	-	-	629,476
Culture and recreation	1,403,495	-	-	1,403,495
Housing and development	1,143,500	-	-	1,143,500
Debt service:				
Principal payments	-	-	6,154,051	6,154,051
Interest and fiscal charges	-	775	1,256,532	1,257,307
Capital outlay	-	3,037,394	562,940	3,600,334
<b>Total expenditures</b>	<u>27,930,326</u>	<u>3,038,169</u>	<u>10,226,490</u>	<u>41,194,985</u>
Excess of revenues over (under) expenditures	<u>2,131,687</u>	<u>3,364,268</u>	<u>(8,533,270)</u>	<u>(3,037,315)</u>
<b>Other financing sources (uses)</b>				
Capital leases	874,726	-	-	874,726
Transfers in	1,154,705	134,957	8,565,486	9,855,148
Transfers (out)	(5,035,250)	(6,094,438)	(338,872)	(11,468,560)
<b>Total other financing sources (uses)</b>	<u>(3,005,819)</u>	<u>(5,959,481)</u>	<u>8,226,614</u>	<u>(738,686)</u>
<b>Net change in fund balances</b>	(874,132)	(2,595,213)	(306,656)	(3,776,001)
<b>Fund balances - beginning</b>	<u>6,796,853</u>	<u>29,348,313</u>	<u>1,973,017</u>	<u>38,118,183</u>
<b>Fund balances - ending</b>	<u>\$ 5,922,721</u>	<u>\$26,753,100</u>	<u>\$1,666,361</u>	<u>\$ 34,342,182</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, 2003**

Net change in *fund* balances - total governmental funds \$ (3,776,001)

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 (\$5,408,485) exceeded depreciation (\$3,646,900) in the current period. 1,761,585

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

Repayments:

To bond, certificate, and note holders	5,369,203	
		5,369,203

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. (874,726)

Capital lease payments are reported as expenditures in the governmental funds, but reduces the liability in the statement of net assets. 784,683

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. 1,548,473

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. (516,577)

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. (506,302)

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	(252,365)	
Amortization of debt premium and issuance costs	12,811	
		(239,554)

Change in net assets of governmental activities \$ 3,550,784

**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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 24,549,265	\$ 24,335,466	\$ 24,335,466	\$ -
Licenses and permits	778,170	709,131	709,131	-
Intergovernmental revenue	2,383,566	3,088,955	3,088,955	-
Charges for services	237,668	174,812	174,812	-
Fines and forfeitures	1,373,550	1,416,491	1,416,491	-
Investment income	228,430	117,885	117,885	-
Contributions and donations	-	85,539	85,539	-
Miscellaneous	138,750	133,734	133,734	-
<b>Total revenues</b>	<u>29,689,399</u>	<u>30,062,013</u>	<u>30,062,013</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
General government:				
Governing body	111,558	105,291	105,291	-
Clerk of commission	98,795	72,531	72,531	-
Commission chair	155,101	134,883	134,883	-
Board of elections/registrations	222,558	232,239	232,239	-
Financial administration	411,764	392,576	392,576	-
County attorney	61,000	31,146	31,146	-
Information technology	361,361	266,947	266,947	-
Human resources	177,361	170,870	170,870	-
Tax commissioner	505,309	473,571	473,571	-
Board of equalization	48,875	29,524	29,524	-
Tax assessor	663,803	628,400	628,400	-
Risk management	604,223	608,686	608,686	-
County facilities	1,201,902	1,284,002	1,284,002	-
Customer service	36,206	25,011	25,011	-
General administration fees	99,326	120,330	120,330	-
Judicial				
Superior court	473,483	396,624	396,624	-
Clerk of superior court	698,605	629,043	629,043	-
District attorney	407,521	397,702	397,702	-
Magistrate court	252,218	263,146	263,146	-
Probate court	411,646	382,487	382,487	-
Juvenile court	571,956	544,550	544,550	-
Public defender	287,185	280,998	280,998	-
Public safety				
Sheriff	672,511	920,564	920,564	-
Law enforcement administration	646,299	664,420	664,420	-
Criminal investigation	545,608	505,724	505,724	-
Uniformed patrol	2,146,771	2,014,218	2,014,218	-
Youth Investigation	449,486	415,463	415,463	-
Jail operations	2,863,275	3,588,959	3,588,959	-
Court services	652,990	839,707	839,707	-
Dispatcher	183,188	164,072	164,072	-
Fire administration	\$ 131,973	\$ 118,610	\$ 118,610	\$ -

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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public safety				
Fire fighting	\$ 1,834,046	\$ 2,215,566	\$ 2,215,566	\$ -
Fire training	29,700	26,689	26,689	-
Stations and buildings	285,925	452,401	452,401	-
Coroner	38,696	32,872	32,872	-
Animal control	313,000	287,875	287,875	-
Emergency management	108,934	96,902	96,902	-
Public works				
Highways and streets administration	108,707	109,889	109,889	-
Roadways and walkways	3,430,042	2,961,808	2,961,808	-
Unpaved streets	454,476	548,696	548,696	-
Other maintenance	66,048	39,021	39,021	-
Traffic engineering	1,042,685	956,898	956,898	-
Maintenance and shop	354,993	322,944	322,944	-
Health and welfare				
Health centers	336,716	405,865	405,865	-
Intergovernmental welfare payments	63,000	62,411	62,411	-
Other vendor payments	1,000	750	750	-
Community services	174,200	160,450	160,450	-
Culture and recreation				
Recreation	-	355,496	355,496	-
Park areas	777,709	818,499	818,499	-
Libraries	229,500	229,500	229,500	-
Housing and development				
Agricultural resources	127,786	127,391	127,391	-
Forest resources	44,215	41,554	41,554	-
Protective inspection	307,120	314,224	314,224	-
Planning and zoning	582,105	446,785	446,785	-
Economic development	213,546	213,546	213,546	-
<b>Total expenditures</b>	<u>27,125,101</u>	<u>27,930,326</u>	<u>27,930,326</u>	<u>-</u>
Excess of revenues over expenditures	<u>2,564,298</u>	<u>2,131,687</u>	<u>2,131,687</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Capital leases	-	874,726	874,726	-
Transfers in	1,105,673	1,154,705	1,154,705	-
Transfers (out)	<u>(3,526,695)</u>	<u>(5,035,250)</u>	<u>(5,035,250)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(2,421,022)</u>	<u>(3,005,819)</u>	<u>(3,005,819)</u>	<u>-</u>
<b>Net change in fund balances</b>	143,276	(874,132)	(874,132)	-
<b>Fund balance - beginning</b>	<u>5,639,890</u>	<u>5,630,463</u>	<u>6,796,853</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 5,783,166</u>	<u>\$ 4,756,331</u>	<u>\$ 5,922,721</u>	<u>\$ -</u>

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

**WALTON COUNTY, GEORGIA**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2003**

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Solid Waste</b>	<b>EMS</b>	<b>Total</b>	<b>Activities</b>
	<b>Fund</b>	<b>Fund</b>		<b>Internal</b>
				<b>Service</b>
				<b>Funds</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 118,411
Investments	-	-	-	626,433
Due from other governments	50,000	-	50,000	-
Accounts receivable	7,809	859,821	867,630	-
Allowance for uncollectibles	-	(532,505)	(532,505)	-
Inventory	7,983	-	7,983	-
<b>Total current assets</b>	<u>65,792</u>	<u>327,316</u>	<u>393,108</u>	<u>744,844</u>
<b>Capital assets</b>				
Land	377,370	-	377,370	-
Buildings	294,286	-	294,286	-
Machinery and equipment	994,737	294,748	1,289,485	-
	1,666,393	294,748	1,961,141	-
Less: accumulated depreciation	(961,169)	(161,674)	(1,122,843)	-
<b>Net capital assets</b>	<u>705,224</u>	<u>133,074</u>	<u>838,298</u>	<u>-</u>
<b>Total assets</b>	<u>771,016</u>	<u>460,390</u>	<u>1,231,406</u>	<u>744,844</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Bank overdraft	-	-	-	353,356
Accounts payable	18,946	9,486	28,432	334,643
Due to other funds	50,000	-	50,000	-
Accrued expenses	23,665	45,371	69,036	-
<b>Total liabilities</b>	<u>92,611</u>	<u>54,857</u>	<u>147,468</u>	<u>687,999</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	705,224	133,074	838,297	-
Unrestricted	(26,819)	272,460	245,641	56,845
<b>Total net assets</b>	<u>\$ 678,405</u>	<u>\$ 405,534</u>	<u>\$ 1,083,938</u>	<u>\$ 56,845</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, 2003**

	<u>Solid Waste Fund</u>	<u>EMS Fund</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
<b>Revenues</b>				
Licenses and permits	\$ 3,500	\$ -	\$ 3,500	\$ -
Charges for services	319,721	1,198,411	1,518,132	-
Miscellaneous income	-	13,004	13,004	2,394,863
<b>Total operating revenues</b>	<u>323,221</u>	<u>1,211,415</u>	<u>1,534,636</u>	<u>2,394,863</u>
<b>Expenses</b>				
Personal services	625,695	1,268,063	1,893,758	3,428,764
Purchased/contracted services	137,942	40,015	177,957	-
Supplies	76,733	97,267	174,000	-
Depreciation and amortization	36,406	45,587	81,993	-
Other costs	-	187,742	187,742	-
<b>Total operating expenses</b>	<u>876,776</u>	<u>1,638,674</u>	<u>2,515,450</u>	<u>3,428,764</u>
<b>Operating loss</b>	<u>(553,555)</u>	<u>(427,259)</u>	<u>(980,814)</u>	<u>(1,033,901)</u>
<b>Nonoperating revenues</b>				
Grants	99,298	-	99,298	-
Net increase in fair value of investments	-	-	-	(375)
Interest earned	124	354	478	17,698
Loss on sale of asset	-	(4,595)	(4,595)	-
<b>Total nonoperating revenues</b>	<u>99,422</u>	<u>(4,241)</u>	<u>95,181</u>	<u>17,323</u>
<b>Loss before operating transfers and contributions</b>	<u>(454,133)</u>	<u>(431,500)</u>	<u>(885,633)</u>	<u>(1,016,578)</u>
Transfers out	(159,936)	(627,197)	(787,133)	-
Transfers in	634,945	1,265,600	1,900,545	500,000
<b>Change in net assets</b>	20,876	206,903	227,779	(516,578)
<b>Total net assets - beginning</b>	<u>657,529</u>	<u>198,631</u>	<u>856,160</u>	<u>383,772</u>
<b>Prior period adjustment</b>	-	-	-	189,651
<b>Total net assets - beginning, as restated</b>	<u>657,529</u>	<u>198,631</u>	<u>856,160</u>	<u>573,423</u>
<b>Total net assets - ending</b>	<u>\$ 678,405</u>	<u>\$ 405,534</u>	<u>\$ 1,083,939</u>	<u>\$ 56,845</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, 2003**

	<u>Solid Waste Fund</u>	<u>EMS Fund</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
<b>Cash flows from operating activities:</b>				
Cash sales to customers	\$ 323,221	\$ 873,224	\$ 1,196,445	\$ -
Cash payments to suppliers for goods and services	(213,984)	(135,623)	(349,607)	(3,433,379)
Cash payments to employees for services	(624,804)	(1,265,140)	(1,889,944)	-
Other operations revenues	-	-	-	2,394,863
<b>Net cash used by operating activities</b>	<u>(515,567)</u>	<u>(527,539)</u>	<u>(1,043,106)</u>	<u>(1,038,516)</u>
<b>Cash flows from noncapital financing activities:</b>				
Increase (decrease) in due to other funds	50,000	-	50,000	-
Transfers from other funds	475,009	1,265,600	1,740,609	500,000
Transfer (to) other funds	49,298	(627,197)	(577,899)	-
<b>Net cash provided by noncapital financing activities</b>	<u>574,307</u>	<u>638,403</u>	<u>1,212,710</u>	<u>500,000</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(58,864)	(111,218)	(170,082)	-
<b>Net cash used by capital and related financing activities</b>	<u>(58,864)</u>	<u>(111,218)</u>	<u>(170,082)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Net investment income	124	354	478	17,323
<b>Net cash provided by investing activities</b>	<u>124</u>	<u>354</u>	<u>478</u>	<u>17,323</u>
<b>Net decrease in cash and cash equivalents</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(521,193)</u>
<b>Cash and cash equivalents, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,266,036</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 744,843</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>				
Operating loss	\$ (553,555)	\$ (427,259)	\$ (980,814)	\$ (1,033,901)
Adjustments to reconcile operating income to net cash used by operating activities:				
Depreciation	36,406	45,587	81,993	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(533)	(150,449)	(150,982)	-
(Increase) decrease in inventory	(1,145)	-	(1,145)	-
Increase (decrease) in accounts payable	2,369	1,659	4,028	(303,571)
Increase (decrease) in salaries payable	891	2,923	3,814	-
Increase (decrease) in bank overdraft	-	-	-	109,305
Total adjustments	<u>37,988</u>	<u>(100,280)</u>	<u>(62,292)</u>	<u>(194,266)</u>
<b>Net cash used by operating activities</b>	<u>\$ (515,567)</u>	<u>\$ (527,539)</u>	<u>\$ (1,043,106)</u>	<u>\$ (1,228,167)</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, 2003**

	<u>Development Authority</u> June 30, 2003	<u>Walton County Commission on Children &amp; Youth</u> June 30, 2003	<u>Health Department</u> June 30, 2003	<u>Totals</u>
<b>Assets</b>				
Cash	\$ 400,519	\$ 23,682	\$ 732,938	\$ 1,157,139
Accounts receivable	-	11,881	31,789	43,670
Due from other governments	-	-	36,283	36,283
Capital assets, net	3,386,345	-	43,206	3,429,551
Current portion notes receivable	-	-	-	-
<b>Total assets</b>	<u>3,786,864</u>	<u>35,563</u>	<u>844,216</u>	<u>4,666,643</u>
<b>Liabilities</b>				
Accounts payable	-	-	9,142	9,142
Long term portion of bonds payable	2,600,000	-	-	2,600,000
Compensated absences payable	-	-	103,479	103,479
Deferred income - current year fees	-	-	623,302	623,302
<b>Total liabilities</b>	<u>2,600,000</u>	<u>-</u>	<u>735,923</u>	<u>3,335,923</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	-	-	43,206	43,206
Unrestricted	1,186,864	35,563	65,087	1,287,514
<b>Total net assets</b>	<u>\$ 1,186,864</u>	<u>\$ 35,563</u>	<u>\$ 108,293</u>	<u>\$ 1,330,720</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, 2003**

<u>Activities:</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			<u>Total</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Development Authority</u>	<u>Commission on Children &amp; Youth</u>	<u>Health Department</u>	
<b>Component units:</b>								
Walton Co. Dev. Auth	\$ 567,559	\$ -	\$ 350	\$ -	\$ (567,209)	\$ -	\$ -	\$ (567,209)
Walton Co. Comm. on Children & Youth	52,956	-	64,936	-	-	11,980	-	11,980
Walton Co. Health Department	1,552,537	-	1,561,861	-	-	-	9,324	9,324
<b>Total component units</b>	<b>\$ 2,173,052</b>	<b>\$ -</b>	<b>\$ 1,627,147</b>	<b>\$ -</b>	<b>(567,209)</b>	<b>11,980</b>	<b>9,324</b>	<b>(545,905)</b>
General revenues:								
Intergovernmental revenues					400,608	-	-	400,608
Investment earnings					5,966	347	-	6,313
Gain on the sale of capital assets					-	-	-	-
Total general revenues					406,574	347	-	406,921
					<b>Change in net assets</b>	<b>12,327</b>	<b>9,324</b>	<b>(138,984)</b>
<b>Net assets - beginning</b>					1,347,499	35,236	100,006	1,482,741
<b>Prior period adjustment</b>					-	(12,000)	(1,037)	(13,037)
<b>Net assets - beginning, restated</b>					1,347,499	23,236	98,969	1,469,704
<b>Net assets - ending</b>					<b>\$ 1,186,864</b>	<b>\$ 35,563</b>	<b>\$ 108,293</b>	<b>\$ 1,330,720</b>

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

**WALTON COUNTY, GEORGIA**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2003**

**ASSETS**

Cash	\$ 432,723
Receivables	<u>7,479</u>
<b>Total assets</b>	<b><u><u>\$ 440,202</u></u></b>

**LIABILITIES**

Due to other governments	\$ 4,705
Due to others	<u>435,497</u>
<b>Total liabilities</b>	<b><u><u>\$ 440,202</u></u></b>

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, 2003**

**Note 1: Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

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

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

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

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

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

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

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

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 1: Summary of Significant Accounting Policies, continued**

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

**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation**

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

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

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

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

The County reports the following major governmental funds:

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

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

The County reports the following major enterprise funds:

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

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

The County reports the following internal service funds:

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

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

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 1: Summary of Significant Accounting Policies, continued**

**B. Basis of Presentation, Basis of Accounting, continued**

The County reports the following fund types:

*Agency Funds* – These funds account for monies held by the County in a trustee capacity or as an agent on behalf of individuals, private organizations, other governments and/or other funds. Following are the agency funds of the County at June 30, 2003: Tax Commissioner, Sheriff, Probate Court, Clerk of Superior Court, Magistrate Court, Juvenile Court, Tax Assessors, Code Enforcement and Animal Control.

**Measurement Focus, Basis of Accounting**

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

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

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

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

**C. Budgets and Budgetary Accounting**

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

1. Prior to July 1, the Chairman submits to the Commission a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Walton County.
3. The budget is then revised and adopted or amended by the Commission before the first regular meeting in July of the year to which it applies. The legal level of budgetary control is the department level.
4. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase in expenditures shall be made therein without provision also being made for financing the same.

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 1: Summary of Significant Accounting Policies, continued**

**C. Budgets and Budgetary Accounting, continued**

5. Budgeted amounts are as originally adopted, or as amended by the Commission. Individual amendments were not material in relation to the original appropriations.

6. Operating budgets are legally adopted each fiscal year for the General Fund, all Special Revenue Funds and the Debt Service Fund on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for all capital project funds. All annual appropriations lapse at fiscal year end.

**D. Encumbrances**

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

**E. Deposits and Investments**

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

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

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

**F. Receivables and Payables**

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

**G. Property Tax Calendar**

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

Property taxes are levied approximately September 15 of each year and are due 60 days after issuance. A local option sales tax is in force. Proceeds for this tax are remitted to the County monthly and are utilized to give property owners tax relief. Taxes receivable at June 30, 2003 amounted to \$394,685 while deferred property tax revenue totaled \$305,989.

**H. Inventories and Prepaid Items**

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

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

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 1: Summary of Significant Accounting Policies, continued**

**I. Capital Assets**

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

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

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

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

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

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and comp time balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. In accordance with the provisions of GASB Statement 11, concerning Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Compensated absence balances related to governmental activities are liquidated through the General Fund.

**K. Restricted Assets**

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

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 2: Stewardship, Compliance and Accountability**

**A. Deficit Fund Balances/Retained Earnings:**

The Emergency 911 has an accumulated deficit of \$59,836 at June 30, 2003. Increase in user fees and cell phones usage should eliminate the deficit in future years. The Employee Health Benefit fund has an accumulated deficit of \$279,130 at June 30, 2003. Claims paid out at the end of the year were replenished from general fund transfers the following month.

**B. Excess of expenditures over appropriations in individual departments:**

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

**Note 3: Cash and Investments**

**Primary Government**

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

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

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

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

The County has \$3,695,992 and \$26,367,156 invested in the Georgia Fund 1. Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is managed by the Office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 3: Cash and Investments, continued**

**Primary Government**

Carrying amount and market value of Walton County's investments at June 30, 2003 are listed below:

Type of Investment	Category			Fair Value
	1	2	3	
Employees' Health Benefits held by the Government's trustee	\$ 290,458	\$ -	\$ -	\$ 290,458
Workers' Compensation Insurance held by the Government's trustee	335,975	-	-	335,975
Debt Service funds held by the Government's trustee	595,935	-	-	595,935
Law Library certificate of deposit	36,027	-	-	36,027
Crime Victim certificate of deposit	125,000	-	-	125,000
	<u>\$ 1,383,395</u>	<u>\$ -</u>	<u>\$ -</u>	
Investments not subject to categorization:				
Investment in State Local Government Investment Pool				<u>30,063,148</u>
				<u>\$ 31,446,543</u>

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

**Discretely Presented Component Units**

The demand and interest-bearing deposits of all component units were reflected in the accounts of the banks at \$430,059. The carrying amount for these deposits was \$424,201. All deposits were not FDIC insured or collateralized with securities held by the pledging financial institution's trust department.

FDIC	\$ 223,682
Category 1 - Insured or collateralized with securities held by the Development Authority of Walton County or by its agent in their name	-
Category 2 - Collateralized with securities held by the pledging financial institution's trust depart in the name of the Development Authority of Walton County	-
Category 3 - Uncollateralized	<u>206,377</u>
Total deposits	<u>\$ 430,059</u>

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 4: Capital Assets**

Capital asset activity for the year ended June 30, 2003 was as follows:

**Primary Government**

<b>Governmental Activities:</b>	<b><u>Beginning Balances</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balances</u></b>
Capital assets not being depreciated:				
Land	\$ 19,853,849	\$ 892,800	\$ -	\$ 20,746,649
Construction in progress	1,705,669	3,892,290	2,415,915	3,182,044
Historical artifacts	-	11,000	-	11,000
Total capital assets not being depreciated	<u>21,559,518</u>	<u>4,796,090</u>	<u>2,415,915</u>	<u>23,939,693</u>
Capital assets being depreciated:				
Infrastructure	97,738,886	673,473	-	98,412,359
Buildings and improvements	18,352,309	2,471,802	-	20,824,111
Equipment, furniture & vehicles	12,921,284	1,422,088	11,000	14,332,372
Total capital assets being depreciated	<u>129,012,479</u>	<u>4,567,363</u>	<u>11,000</u>	<u>133,568,842</u>
Less accumulated depreciation for:				
Infrastructure	81,520,657	2,104,851	-	83,625,508
Buildings and improvements	5,812,302	501,486	-	6,313,788
Equipment, furniture & vehicles	9,273,667	1,040,562	944	10,313,285
Total accumulated depreciation	<u>96,606,626</u>	<u>3,646,899</u>	<u>944</u>	<u>100,252,581</u>
Primary government capital assets being depreciated, net	<u>\$ 53,965,371</u>	<u>\$ 5,716,554</u>	<u>\$ 2,425,971</u>	<u>\$ 57,255,954</u>

<b>Business-type activities:</b>	<b><u>Beginning Balances</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balances</u></b>
<b>Emergency Medical Services</b>				
Capital assets not being depreciated:				
Capital assets being depreciated:				
Equipment, furniture & vehicles	\$ 270,686.00	\$ 111,218	\$ 87,157	\$ 294,747
Total capital assets being depreciated	<u>270,686</u>	<u>111,218</u>	<u>87,157</u>	<u>294,747</u>
Less accumulated depreciation for:				
Equipment, furniture & vehicles	198,649	45,587	82,562	161,674
Total accumulated depreciation	<u>198,649</u>	<u>45,587</u>	<u>82,562</u>	<u>161,674</u>
Emergency Medical Services capital assets being depreciated, net	<u>\$ 72,037</u>	<u>\$ 65,631</u>	<u>\$ 4,595</u>	<u>\$ 133,073</u>

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 4: Capital Assets, continued**

Primary Government, continued

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Solid Waste Fund:</b>				
Capital assets not being depreciated:				
Land	\$ 377,370	\$ -	\$ -	\$ 377,370
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>377,370</u>	<u>-</u>	<u>-</u>	<u>377,370</u>
Capital assets being depreciated:				
Buildings and improvements	252,615	50,000	-	302,615
Equipment, furniture & vehicles	977,544	8,864	-	986,408
Total capital assets being depreciated	<u>1,230,159</u>	<u>58,864</u>	<u>-</u>	<u>1,289,023</u>
Less accumulated depreciation for:				
Buildings and improvements	85,096	8,976	-	94,072
Equipment, furniture & vehicles	839,667	27,430	-	867,097
Total accumulated depreciation	<u>924,763</u>	<u>36,406</u>	<u>-</u>	<u>961,169</u>
Solid waste capital assets being depreciated, net	<u>682,766</u>	<u>22,458</u>	<u>-</u>	<u>705,224</u>
Business-type activities capital assets, net	<u>\$ 754,803</u>	<u>\$ 88,089</u>	<u>\$ 4,595</u>	<u>\$ 838,297</u>

Depreciation expense was charged to functions as follows:

General government	\$ 380,014
Judicial	55,600
Public safety	761,577
Public works	271,384
Health and welfare	939
Culture and recreation	52,772
Housing and development	19,763
Unallocated - Infrastructure	2,104,851
Total governmental activities depreciation expense	<u>\$ 3,646,900</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	\$ 3,348,404	\$ 21,225	\$ -	\$ 3,369,629
Total capital assets not being depreciated	<u>3,348,404</u>	<u>21,225</u>	<u>-</u>	<u>3,369,629</u>
Capital assets being depreciated:				
Equipment, furniture & vehicles	36,268	-	-	36,268
Total capital assets being depreciated	<u>36,268</u>	<u>-</u>	<u>-</u>	<u>36,268</u>
Less accumulated depreciation for:				
Equipment, furniture & vehicles	13,006	6,546	-	19,552
Total accumulated depreciation	<u>13,006</u>	<u>6,546</u>	<u>-</u>	<u>19,552</u>
Component unit capital assets being depreciated, net	<u>\$ 3,371,666</u>	<u>\$ 14,679</u>	<u>\$ -</u>	<u>\$ 3,386,345</u>

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 5: Interfund Balances and Activity**

**Balances Due to/from Other Funds**

Balances due to/from other funds at June 30, 2003 consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	SPLOST Capital Project	\$ 595,817
	Solid Waste	50,000
	Greenspace Special Revenue	600
DATEF	General Fund	<u>39,000</u>
	Total due to/from other funds	<u>\$ 685,417</u>

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

**Transfers to/from Other Funds**

Transfers to/from other funds at June 30, 2003 consist of the following:

<u>Transfer Out:</u>	<u>Transfer In:</u>					<u>Total</u>
	<u>General Fund</u>	<u>SPLOST Capital Project</u>	<u>Nonmajor Governmental</u>	<u>Enterprise</u>	<u>Internal Service</u>	
General fund	\$ -	\$ 134,957	\$ 2,499,748	\$ 1,900,545	\$500,000	\$ 5,035,250
SPLOST Cap. Proj.	28,700		6,065,737			6,094,437
Nonmajor						
Governmental	338,872	-				338,872
Enterprise	<u>787,133</u>					<u>787,133</u>
	<u>\$ 1,154,705</u>	<u>\$ 134,957</u>	<u>\$ 8,565,485</u>	<u>\$ 1,900,545</u>	<u>\$500,000</u>	<u>\$ 12,255,692</u>
	Total transfers to/from other funds					<u>\$ 12,255,692</u>

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

**Note 6: Long-term Obligations**

**General Obligation Bonds**

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

**COPS**

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

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 6: Long-term Obligations, continued**

**Notes Payable**

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

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

**Joint Venture**

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

**Long-term Obligation Activity**

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

	<u>July 1, 2002</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2003</u>	<u>Due within One Year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 27,680,000	\$ -	\$ 5,050,000	\$ 22,630,000	\$ 5,650,000
COPS	1,800,000	-	185,000	1,615,000	195,000
Newton County:					
Water Line Agreement	245,046	-	7,863	237,183	8,348
Reservoir Agreement	417,872	-	15,078	402,794	14,737
Four County Joint Industrial					
Development Authority	3,262,500	-	112,500	3,150,000	112,500
Capital lease obligations	1,324,355	874,726	784,848	1,414,233	771,952
Compensated absences	435,534	252,365	-	687,899	-
	<u>\$ 35,165,307</u>	<u>\$ 1,127,091</u>	<u>\$ 6,155,289</u>	<u>\$ 30,137,109</u>	<u>\$ 6,752,537</u>

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 6: Long-term Obligations, continued**

**Capital Leases**

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

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

	<b>Historical Costs</b>	<b>Accumulated Depreciation</b>
Machinery and equipment	\$ 3,677,323	\$ 1,136,328

Future minimum lease payments at June 30, 2003 are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Governmental activities</b>	<b>Total</b>
2004	\$ 771,952	\$ 771,952
2005	365,804	365,804
2006	218,056	218,056
2007	187,814	187,814
Total minimum lease payments	1,543,626	1,543,626
Less: deferred interest	(129,393)	(129,393)
Present value minimum lease payments	<b>\$ 1,414,233</b>	<b>\$ 1,414,233</b>

**Discretely Presented Component Unit-Development Authority of Walton County**

**Long-term Obligations**

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

Walton County is financially liable for this mortgage indebtedness of the Development Authority of Walton County.

**Long-term Obligation Activity**

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

	<b>July 1, 2002</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2003</b>	<b>Due within One Year</b>
Bonds payable	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000	\$ 650,000
	<b>\$ 2,600,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,600,000</b>	<b>\$ 650,000</b>

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 6: Long-term Obligations, continued**

**Debt Service Requirements**

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

<b>Governmental Activities</b> Year Ending	<b>General Obligation Bonds</b>		<b>COPS</b>		<b>Newton County Water Line Agreement</b>		<b>Newton County Reservoir Agreement</b>		<b>Four County Industrial Development Authority</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
June 30,										
2004	\$ 5,650,000	\$ 838,456	\$ 195,000	\$ 86,520	\$ 8,348	\$ 14,267	\$ 14,737	\$ 21,786	\$ 112,500	\$ 52,284
2005	6,230,000	617,175	205,000	76,575	8,863	13,752	15,568	20,955	112,500	50,383
2006	7,000,000	370,175	220,000	65,915	9,410	13,205	16,446	20,076	112,500	48,482
2007	3,750,000	79,688	230,000	54,255	9,990	12,625	17,374	19,148	112,500	46,580
2008	-	-	240,000	41,835	10,606	12,009	18,354	18,169	150,000	44,363
2009-2013	-	-	525,000	43,725	63,688	49,387	108,517	74,096	787,500	183,471
2014-2018	-	-	-	-	85,906	27,169	142,776	39,836	1,012,500	108,054
2019-2021	-	-	-	-	40,372	2,730	69,022	4,022	750,000	19,646
	<u>\$ 22,630,000</u>	<u>\$ 1,905,494</u>	<u>\$1,615,000</u>	<u>\$368,825</u>	<u>\$ 237,183</u>	<u>\$145,144</u>	<u>\$402,794</u>	<u>\$ 218,088</u>	<u>\$3,150,000</u>	<u>\$ 553,263</u>

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 6: Long-term Obligations, continued**

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

**Debt Service Requirements**

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

Year Ending June 30,	<b>Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>
2004	\$ 650,000	\$ 287,967
2005	650,000	138,227
2006	650,000	87,663
2007	650,000	37,511
2008	-	-
	<u>\$ 2,600,000</u>	<u>\$ 551,368</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, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Second Restated Defined Benefit Pan (The ACCG Plan), an agent multiple-employer pension plan administered by Pension Service Company. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan.

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

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

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

All full-time County employees and those part-time employees working at least 20 hours per week for at least five months per year are eligible to participate in the Plan provided that they have completed two years of service. As of January 1, 2002, the numbers of participants were as follows:

-Retirees & beneficiaries receiving benefits	26
-Terminated employees entitled to deferred benefits, but not yet receiving them	54
- Active employees	<u>34</u>
	114

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 7: Retirement Benefits, continued**

**Defined Benefit Pension Plan, continued**

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

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

**Contributions**

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

As of January 1, 2002 (the most recent actuarial valuation date), the County's total covered payroll was \$1,254,042. 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 2002 plan year is \$137,155, which represents 9.9% of covered payroll.

**Annual Pension Cost**

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

	<u>January 1, 2001</u>	<u>January 1, 2002</u>
<b>Derivation of Annual Pension Cost</b>		
Annual Required Contribution	\$ 98,762	\$137,155
Interest on Net Pension Obligation	(1,491)	(1,438)
Amortization of Net Pension Obligation	<u>2,050</u>	<u>20383</u>
	\$ 99,321	\$137,755

**Derivation of Net Pension Obligation**

Annual Pension Cost for Prior Year	\$ 99,384
Actual Contributions to Plan for Prior Year	<u>98,762</u>
Increase in Net Pension Obligation	622
Net Pension Obligation as of January 1, 2001	<u>(17,543)</u>
Net Pension Obligation as of January 1, 2002	(16,921)

**Basis of Valuation**

Valuation date	January 1, 2002
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar (Closed)
Remaining amortization period	26 years
Asset valuation method	market value
Actuarial assumptions:	
Investment rate of return*	8.5%
Projected salary increases*	5.0%
*Includes inflation at	3.0%
Cost of living adjustments	N/A

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 7: Retirement Benefits, continued**

**Defined Benefit Pension Plan, continued**

**Three Year Trend Information**

Fiscal Year Beginning	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
1/1/02	\$ 137,755	N/A	\$ (16,921)
1/1/01	99,384	99.0	(17,543)
1/1/00	129,683	99.0	(18,214)

**Defined Contribution Plan**

**Plan Description**

The Walton County Money Purchase Plan is a defined contribution pension plan established and administered by Walton County. The Plan was established to provide benefits at retirement to Walton County employees. The County is required to contribute 6.5% of total covered payroll. Employees are not required to contribute to the plan. Employees are eligible to join the plan after two years of full time service. Participants are then fully vested after five years of service. Total contributions for the fiscal year ended 06/30/03 were \$375,000. The majority of original contributions consisted of member rollovers from the defined benefit pension plan, which was frozen on July 1, 1998. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

**Other Retirement Plans**

**Extension Service Employees Retirement Plan**

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

**Probate Judge's Retirement Fund of Georgia**

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

**Clerk of Superior Court Retirement Fund**

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

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

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

**Note 8: Risk Management**

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

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 8: Risk Management, continued**

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

	<u>FYE 2003</u>	<u>FYE 2002</u>
Unpaid Claims, beginning of year	\$ 448,561	\$ 269,544
Incurred Claims	2,577,289	2,753,212
Claim Payments	<u>(2,691,208)</u>	<u>(2,574,195)</u>
Unpaid Claims, end of year	<u>\$ 334,642</u>	<u>\$ 448,561</u>

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

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

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

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

	<u>FYE 2003</u>	<u>FYE 2002</u>
Unpaid Claims, beginning of year	\$ 189,651	\$ 16,853
Incurred Claims	242,193	493,545
Claim Payments	<u>(52,547)</u>	<u>(320,747)</u>
Unpaid Claims, end of year	<u>\$ -</u>	<u>\$ 189,651</u>

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

**Note 9: Commitments and Contingencies**

**Commitments**

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

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

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**Note 9: Commitments and Contingencies, continued**

**Contingent Liabilities**

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

**Litigation**

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

**Note 10: Joint Ventures**

**Northeast Georgia Regional Development Center (RDC)**

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

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

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

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

**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

**WALTON COUNTY, GEORGIA**  
**Notes to the Financial Statements**  
**June 30, 2003**

**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 \$99,021 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: Subsequent Events**

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. 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 457b 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.

**Note 13: Prior Period Adjustments**

The Workers Compensation Internal Service fund had an adjustment for a correction of the recording of payables between a two year period. The Walton County Commission on Children and Youth component unit recorded an adjustment for an amount that needs to be recorded as due to/from each year to match with budget amounts on a yearly basis.

# **Required Supplementary Information**

**WALTON COUNTY, GEORGIA**  
**Required Supplementary Information**  
**June 30, 2003**

**RETIREMENT PLAN**

GASB 27 Required Supplementary Information-Schedule of Funding Progress

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

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

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

# **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, 2003**

<b>GENERAL GOVERNMENT</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Governing Body:</b>				
Personal services	\$ 84,208	\$ 75,576	\$ 75,576	\$ -
Purchased/contracted	22,800	27,964	27,964	-
Supplies	4,550	1,751	1,751	-
	<u>111,558</u>	<u>105,291</u>	<u>105,291</u>	<u>-</u>
<b>Clerk of Commission:</b>				
Personal services	59,195	60,172	60,172	-
Purchased/contracted	34,500	8,939	8,939	-
Supplies	5,100	3,420	3,420	-
	<u>98,795</u>	<u>72,531</u>	<u>72,531</u>	<u>-</u>
<b>Commission Chair:</b>				
Personal services	138,723	129,754	129,754	-
Purchased/contracted	7,850	3,148	3,148	-
Supplies	8,528	1,981	1,981	-
	<u>155,101</u>	<u>134,883</u>	<u>134,883</u>	<u>-</u>
<b>Board of Elections/Registrar:</b>				
Personal services	62,133	68,154	68,154	-
Purchased/contracted	156,725	159,554	159,554	-
Supplies	3,700	4,531	4,531	-
	<u>222,558</u>	<u>232,239</u>	<u>232,239</u>	<u>-</u>
<b>Financial Administration:</b>				
Personal Services	290,364	287,095	287,095	-
Purchased/contracted	107,425	99,045	99,045	-
Supplies	13,975	6,436	6,436	-
	<u>411,764</u>	<u>392,576</u>	<u>392,576</u>	<u>-</u>
<b>County Attorney:</b>				
Purchased/contracted	61,000	31,146	31,146	-
	<u>61,000</u>	<u>31,146</u>	<u>31,146</u>	<u>-</u>
<b>Information Technology:</b>				
Personal services	107,795	106,416	106,416	-
Purchased/contracted	106,735	47,311	47,311	-
Supplies	132,831	99,329	99,329	-
Capital outlay	14,000	13,891	13,891	-
	<u>361,361</u>	<u>266,947</u>	<u>266,947</u>	<u>-</u>
<b>Human Resources:</b>				
Personal services	140,036	141,724	141,724	-
Purchased/contracted	33,275	26,280	26,280	-
Supplies	4,050	2,866	2,866	-
	<u>177,361</u>	<u>170,870</u>	<u>170,870</u>	<u>-</u>
<b>Tax Commissioner:</b>				
Personal services	412,373	395,422	395,422	-
Purchased/contracted	87,636	74,275	74,275	-
Supplies	5,300	3,874	3,874	-
	<u>\$ 505,309</u>	<u>\$ 473,571</u>	<u>\$ 473,571</u>	<u>\$ -</u>

**WALTON COUNTY, GEORGIA**  
**General Fund**  
**Schedule of Expenditures Compared to Budget (GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>GENERAL GOVERNMENT</b>				
<b>Board of Equalization:</b>				
Personal services	\$ 41,990	\$ 28,676	\$ 28,676	\$ -
Purchased/contracted	5,955	676	676	-
Supplies	930	172	172	-
	<u>48,875</u>	<u>29,524</u>	<u>29,524</u>	<u>-</u>
<b>Tax Assessor:</b>				
Personal services	561,573	538,683	538,683	-
Purchased/contracted	71,807	61,389	61,389	-
Supplies	13,673	14,811	14,811	-
Capital outlay	16,750	13,517	13,517	-
	<u>663,803</u>	<u>628,400</u>	<u>628,400</u>	<u>-</u>
<b>Risk Management:</b>				
Personal services	106,000	141,863	141,863	-
Purchased/contracted	478,223	452,416	452,416	-
Supplies	7,500	1,449	1,449	-
Capital outlay	500	-	-	-
Other costs	12,000	12,958	12,958	-
	<u>604,223</u>	<u>608,686</u>	<u>608,686</u>	<u>-</u>
<b>County Facilities:</b>				
Personal services	417,137	400,111	400,111	-
Purchased/contracted	400,966	429,633	429,633	-
Supplies	328,912	384,189	384,189	-
Capital outlay	54,887	70,069	70,069	-
	<u>1,201,902</u>	<u>1,284,002</u>	<u>1,284,002</u>	<u>-</u>
<b>Customer Service:</b>				
Personal Services	36,206	25,011	25,011	-
	<u>36,206</u>	<u>25,011</u>	<u>25,011</u>	<u>-</u>
<b>General Administration Fee:</b>				
Purchased/contracted	54,476	53,671	53,671	-
Other costs	44,850	66,659	66,659	-
	<u>99,326</u>	<u>120,330</u>	<u>120,330</u>	<u>-</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>4,759,142</b>	<b>4,576,007</b>	<b>4,576,007</b>	<b>-</b>
<b>JUDICIAL</b>				
<b>Superior Court:</b>				
Personal services	211,772	241,208	241,208	-
Purchased/contracted	258,711	135,383	135,383	-
Supplies	3,000	8,179	8,179	-
Other Costs	-	11,854	11,854	-
	<u>473,483</u>	<u>396,624</u>	<u>396,624</u>	<u>-</u>
<b>Clerk of Superior Court:</b>				
Personal services	563,165	517,274	517,274	-
Purchased/contracted	94,450	77,476	77,476	-
Supplies	40,990	34,293	34,293	-
	<u>\$ 698,605</u>	<u>\$ 629,043</u>	<u>\$ 629,043</u>	<u>\$ -</u>

**WALTON COUNTY, GEORGIA**  
**General Fund**  
**Schedule of Expenditures Compared to Budget (GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>JUDICIAL</b>				
<b>District Attorney:</b>				
Personal services	\$ 373,066	\$ 362,457	\$ 362,457	\$ -
Purchased/contracted	20,227	21,071	21,071	-
Supplies	14,228	14,174	14,174	-
	<u>407,521</u>	<u>397,702</u>	<u>397,702</u>	<u>-</u>
<b>Magistrate Court:</b>				
Personal services	238,733	251,568	251,568	-
Purchased/contracted	9,285	7,952	7,952	-
Supplies	4,200	3,626	3,626	-
	<u>252,218</u>	<u>263,146</u>	<u>263,146</u>	<u>-</u>
<b>Probate Court:</b>				
Personal services	384,221	363,932	363,932	-
Purchased/contracted	16,025	12,592	12,592	-
Supplies	11,400	5,963	5,963	-
	<u>411,646</u>	<u>382,487</u>	<u>382,487</u>	<u>-</u>
<b>Juvenile Court:</b>				
Personal services	468,956	450,488	450,488	-
Purchased/contracted	85,800	72,932	72,932	-
Supplies	17,200	21,130	21,130	-
	<u>571,956</u>	<u>544,550</u>	<u>544,550</u>	<u>-</u>
<b>Public Defender:</b>				
Personal services	207,227	209,829	209,829	-
Purchased/contracted	11,000	9,743	9,743	-
Supplies	12,098	6,210	6,210	-
Other costs	56,860	55,216	55,216	-
	<u>287,185</u>	<u>280,998</u>	<u>280,998</u>	<u>-</u>
<b>TOTAL JUDICIAL</b>	3,102,614	2,894,550	2,894,550	-
<b>PUBLIC SAFETY</b>				
<b>Sheriff:</b>				
Purchased/contracted	100,657	115,072	115,072	-
Supplies	383,564	516,376	516,376	-
Capital outlay	188,290	289,116	289,116	-
	<u>672,511</u>	<u>920,564</u>	<u>920,564</u>	<u>-</u>
<b>Law Enforcement Administration:</b>				
Personal services	646,299	664,420	664,420	-
	<u>646,299</u>	<u>664,420</u>	<u>664,420</u>	<u>-</u>
<b>Criminal Investigation:</b>				
Personal services	545,608	505,724	505,724	-
	<u>\$ 545,608</u>	<u>\$ 505,724</u>	<u>\$ 505,724</u>	<u>\$ -</u>

**WALTON COUNTY, GEORGIA**  
**General Fund**  
**Schedule of Expenditures Compared to Budget (GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC SAFETY</b>				
<b>Uniformed Patrol:</b>				
Personal services	\$ 2,146,771	\$ 2,014,218	\$ 2,014,218	\$ -
	<u>2,146,771</u>	<u>2,014,218</u>	<u>2,014,218</u>	<u>-</u>
<b>Youth Investigation:</b>				
Personal services	440,091	405,840	405,840	-
Purchased/contracted	4,011	4,011	4,011	-
Supplies	5,384	5,612	5,612	-
	<u>449,486</u>	<u>415,463</u>	<u>415,463</u>	<u>-</u>
<b>Jail Operations:</b>				
Personal services	1,685,809	1,649,683	1,649,683	-
Purchased/contracted	704,725	1,401,882	1,401,882	-
Supplies	472,741	529,483	529,483	-
Capital outlay	-	7,911	7,911	-
	<u>2,863,275</u>	<u>3,588,959</u>	<u>3,588,959</u>	<u>-</u>
<b>Court Services:</b>				
Personal services	652,990	839,707	839,707	-
	<u>652,990</u>	<u>839,707</u>	<u>839,707</u>	<u>-</u>
<b>Dispatcher:</b>				
Personal services	183,188	164,072	164,072	-
	<u>183,188</u>	<u>164,072</u>	<u>164,072</u>	<u>-</u>
<b>Fire Administration:</b>				
Personal services	113,373	112,336	112,336	-
Purchased/contracted	4,300	1,833	1,833	-
Supplies	14,300	4,441	4,441	-
	<u>131,973</u>	<u>118,610</u>	<u>118,610</u>	<u>-</u>
<b>Fire Fighting:</b>				
Personal services	1,465,548	1,561,968	1,561,968	-
Purchased/contracted	84,370	80,691	80,691	-
Supplies	251,821	244,931	244,931	-
Capital outlay	-	295,669	295,669	-
Other costs	32,307	32,307	32,307	-
	<u>1,834,046</u>	<u>2,215,566</u>	<u>2,215,566</u>	<u>-</u>
<b>Fire Training:</b>				
Purchased/contracted	29,700	26,689	26,689	-
	<u>29,700</u>	<u>26,689</u>	<u>26,689</u>	<u>-</u>
<b>Fire Station and Building:</b>				
Purchased/contracted	(4,000)	17,988	17,988	-
Supplies	99,925	91,532	91,532	-
Capital outlay	190,000	342,881	342,881	-
	<u>285,925</u>	<u>452,401</u>	<u>452,401</u>	<u>-</u>
<b>Coroner:</b>				
Personal services	8,056	11,563	11,563	-
Purchased/contracted	24,790	18,601	18,601	-
Supplies	5,850	2,708	2,708	-
	<u>\$ 38,696</u>	<u>\$ 32,872</u>	<u>\$ 32,872</u>	<u>\$ -</u>

**WALTON COUNTY, GEORGIA**  
**General Fund**  
**Schedule of Expenditures Compared to Budget (GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Animal Control:</b>				
Personal services	\$ 256,892	\$ 247,520	\$ 247,520	\$ -
Purchased/contracted	5,500	3,926	3,926	-
Supplies	35,685	36,429	36,429	-
Capital outlay	14,923	-	-	-
	<u>313,000</u>	<u>287,875</u>	<u>287,875</u>	<u>-</u>
<b>Emergency Management:</b>				
Personal services	94,004	90,834	90,834	-
Purchased/contracted	5,475	3,061	3,061	-
Supplies	9,455	3,007	3,007	-
	<u>108,934</u>	<u>96,902</u>	<u>96,902</u>	<u>-</u>
<b>TOTAL PUBLIC SAFETY</b>	10,902,402	12,344,042	12,344,042	-
<b>PUBLIC WORKS</b>				
<b>Highways and Streets Administration:</b>				
Personal services	108,707	109,889	109,889	-
	<u>108,707</u>	<u>109,889</u>	<u>109,889</u>	<u>-</u>
<b>Roadways and Walkways:</b>				
Personal services	1,511,195	1,395,166	1,395,166	-
Purchased/contracted	242,850	123,027	123,027	-
Supplies	340,032	972,413	972,413	-
Capital outlay	1,975,965	471,202	471,202	-
Interfund/Interdept.	(640,000)	-	-	-
	<u>3,430,042</u>	<u>2,961,808</u>	<u>2,961,808</u>	<u>-</u>
<b>Unpaved Streets:</b>				
Supplies	68,724	532,916	532,916	-
Capital outlay	385,752	15,780	15,780	-
	<u>454,476</u>	<u>548,696</u>	<u>548,696</u>	<u>-</u>
<b>Other Maintenance:</b>				
Personal services	16,048	14,046	14,046	-
Purchased/contracted	50,000	24,975	24,975	-
	<u>66,048</u>	<u>39,021</u>	<u>39,021</u>	<u>-</u>
<b>Traffic Engineering:</b>				
Personal services	175,789	165,901	165,901	-
Purchased/contracted	331,966	230,184	230,184	-
Supplies	284,930	310,813	310,813	-
Other costs	250,000	250,000	250,000	-
	<u>\$ 1,042,685</u>	<u>\$ 956,898</u>	<u>\$ 956,898</u>	<u>\$ -</u>

**WALTON COUNTY, GEORGIA**  
**General Fund**  
**Schedule of Expenditures Compared to Budget (GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Maintenance and shop:</b>				
Personal services	\$ 319,543	\$ 294,465	\$ 294,465	\$ -
Purchased/contracted	8,050	8,644	8,644	-
Supplies	21,900	13,726	13,726	-
Capital outlay	5,500	6,109	6,109	-
	<u>354,993</u>	<u>322,944</u>	<u>322,944</u>	<u>-</u>
<b>TOTAL PUBLIC WORKS</b>	5,456,951	4,939,256	4,939,256	-
<b>HEALTH AND WELFARE</b>				
<b>Health Centers:</b>				
Purchased/contracted	6,800	4,064	4,064	-
Supplies	2,500	885	885	-
Other costs	327,416	400,916	400,916	-
	<u>336,716</u>	<u>405,865</u>	<u>405,865</u>	<u>-</u>
<b>Intergovernmental Welfare:</b>				
Other costs	63,000	62,411	62,411	-
	<u>63,000</u>	<u>62,411</u>	<u>62,411</u>	<u>-</u>
<b>Other Vendor Payments:</b>				
Purchased/contracted	1,000	750	750	-
	<u>1,000</u>	<u>750</u>	<u>750</u>	<u>-</u>
<b>Community Services:</b>				
Other costs	174,200	160,450	160,450	-
	<u>174,200</u>	<u>160,450</u>	<u>160,450</u>	<u>-</u>
<b>TOTAL HEALTH AND WELFARE</b>	574,916	629,476	629,476	-
<b>CULTURE/RECREATION</b>				
<b>Recreation:</b>				
Personal services	-	151,814	151,814	-
Purchased/contracted	-	81,170	81,170	-
Supplies	-	122,512	122,512	-
	<u>-</u>	<u>355,496</u>	<u>355,496</u>	<u>-</u>
<b>Parks:</b>				
Personal services	611,439	290,434	290,434	-
Purchased/contracted	11,320	41,219	41,219	-
Supplies	139,950	157,625	157,625	-
Capital outlay	15,000	152,544	152,544	-
Other costs	-	176,677	176,677	-
	<u>777,709</u>	<u>818,499</u>	<u>818,499</u>	<u>-</u>
<b>Libraries:</b>				
Other costs	229,500	229,500	229,500	-
	<u>229,500</u>	<u>229,500</u>	<u>229,500</u>	<u>-</u>
<b>TOTAL CULTURE/RECREATION</b>	\$ 1,007,209	\$ 1,403,495	\$ 1,403,495	\$ -

**WALTON COUNTY, GEORGIA**  
**General Fund**  
**Schedule of Expenditures Compared to Budget (GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>HOUSING AND DEVELOPMENT</b>				
<b>Agricultural Resources:</b>				
Personal services	\$ 102,636	\$ 100,666	\$ 100,666	\$ -
Purchased/contracted	4,525	4,989	4,989	-
Supplies	4,700	3,311	3,311	-
Other costs	15,925	18,425	18,425	-
	<u>127,786</u>	<u>127,391</u>	<u>127,391</u>	<u>-</u>
<b>Forest Resources:</b>				
Personal services	39,655	36,994	36,994	-
Purchased/contracted	4,560	4,560	4,560	-
	<u>44,215</u>	<u>41,554</u>	<u>41,554</u>	<u>-</u>
<b>Protective Inspection:</b>				
Personal services	307,120	314,224	314,224	-
	<u>307,120</u>	<u>314,224</u>	<u>314,224</u>	<u>-</u>
<b>Planning and Zoning:</b>				
Personal services	326,347	310,266	310,266	-
Purchased/contracted	217,799	107,932	107,932	-
Supplies	37,959	28,587	28,587	-
	<u>582,105</u>	<u>446,785</u>	<u>446,785</u>	<u>-</u>
<b>Code Enforcement:</b>				
Personal services	43,495	-	-	-
	<u>43,495</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Economic Development:</b>				
Other costs	213,546	213,546	213,546	-
	<u>213,546</u>	<u>213,546</u>	<u>213,546</u>	<u>-</u>
<b>Other Costs:</b>				
Other costs	3,600	-	-	-
	<u>3,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL HOUSING AND DEVELOPMENT</b>	<u>1,321,867</u>	<u>1,143,500</u>	<u>1,143,500</u>	<u>-</u>
<b>GRAND TOTAL</b>	<u><u>\$ 27,125,101</u></u>	<u><u>\$ 27,930,326</u></u>	<u><u>\$27,930,326</u></u>	<u><u>\$ -</u></u>

**WALTON COUNTY, GEORGIA**  
**SPLOST Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2003**

	<u>Project Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total To Date</u>
<b>Revenues</b>				
Taxes	\$ 43,700,000	\$ 2,721,701	\$ 5,985,775	\$ 8,707,476
Investment income	-	262,619	409,337	671,956
Miscellaneous	-	-	7,325	(7,325)
<b>Total revenues</b>	<u>43,700,000</u>	<u>2,984,320</u>	<u>6,402,437</u>	<u>9,372,107</u>
<b>Expenditures</b>				
Debt service:				
Issuance costs	330,000	357,734	775	358,509
Capital outlay	<u>43,700,000</u>	<u>779,976</u>	<u>3,037,394</u>	<u>3,817,370</u>
<b>Total expenditures</b>	<u>44,030,000</u>	<u>1,137,710</u>	<u>3,038,169</u>	<u>4,175,879</u>
Excess of revenues over (under) expenditures	<u>(330,000)</u>	<u>1,846,610</u>	<u>3,364,268</u>	<u>5,210,878</u>
<b>Other financing sources (uses)</b>				
Bond proceeds general obligation	27,880,000	27,880,000	-	27,880,000
Premiums on debt issued	421,788	421,788	-	421,788
Transfers in	-	313,829	134,957	448,786
Transfers (out)	<u>(31,324,500)</u>	<u>(1,113,914)</u>	<u>(6,094,438)</u>	<u>(7,208,352)</u>
<b>Total other financing sources and (uses)</b>	<u>(3,022,712)</u>	<u>27,501,703</u>	<u>(5,959,481)</u>	<u>21,542,222</u>
<b>Net change in fund balances</b>	<u>\$ (3,352,712)</u>	<u>\$ 29,348,313</u>	<u>(2,595,213)</u>	<u>\$ 26,753,100</u>
<b>Fund balances - beginning</b>			<u>29,348,313</u>	
<b>Fund balances - ending</b>			<u>\$ 26,753,100</u>	

# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Debt Service Fund**

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The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and lease principal and interest when the government is obligated in some manner for the payment.

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## **Capital Projects Fund**

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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.

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**WALTON COUNTY, GEORGIA**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2003**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 1,052,986	\$ -	\$ 17,587	\$ 1,070,573
Investments	161,027	595,935	-	756,962
Due from other funds	39,000	-	-	39,000
Due from others	4,575	-	-	4,575
Due from other governments	18,816	-	-	18,816
<b>Total assets</b>	<u>\$ 1,276,404</u>	<u>\$ 595,935</u>	<u>\$ 17,587</u>	<u>\$ 1,889,926</u>
<b>Liabilities and fund balance</b>				
Liabilities:				
Accounts payable	\$ 50,754	\$ -	\$ -	\$ 50,754
Accrued liabilities	20,549	139,782	-	160,331
Due to other funds	600	-	-	600
Due to others	11,880	-	-	11,880
<b>Total liabilities</b>	<u>83,783</u>	<u>139,782</u>	<u>-</u>	<u>223,565</u>
Fund balances:				
Unreserved, reported in nonmajor:				
Special revenue funds	1,192,621	-	-	1,192,621
Debt Service fund	-	456,153	-	456,153
Capital project funds	-	-	17,587	17,587
<b>Total fund balances</b>	<u>1,192,621</u>	<u>456,153</u>	<u>17,587</u>	<u>1,666,361</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,276,404</u>	<u>\$ 595,935</u>	<u>\$ 17,587</u>	<u>\$ 1,889,926</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, 2003**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>				
Charges for services	\$ 992,647	\$ -	\$ -	\$ 992,647
Fines and forfeitures	112,314	-	-	112,314
Intergovernmental	328,828	-	126,836	455,664
Interest	6,758	8,238	134	15,130
Donations	23,006	-	-	23,006
Other	94,459	-	-	94,459
<b>Total revenues</b>	<u>1,558,012</u>	<u>8,238</u>	<u>126,970</u>	<u>1,693,220</u>
<b>Expenditures</b>				
Current:				
General government	383,994	258,831	-	642,825
Judicial	56,130	-	-	56,130
Public safety	1,554,012	-	-	1,554,012
Debt Service:				
Principal	-	6,154,051	-	6,154,051
Interest	-	1,256,532	-	1,256,532
Capital outlay	-	-	562,940	562,940
<b>Total expenditures</b>	<u>1,994,136</u>	<u>7,669,414</u>	<u>562,940</u>	<u>10,226,490</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(436,124)</u>	<u>(7,661,176)</u>	<u>(435,970)</u>	<u>(8,533,270)</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	(248,254)	-	(90,618)	(338,872)
Transfers in	701,830	7,652,820	210,836	8,565,486
<b>Total other financing sources (uses)</b>	<u>453,576</u>	<u>7,652,820</u>	<u>120,218</u>	<u>8,226,614</u>
<b>Net change in fund balance</b>	17,452	(8,356)	(315,752)	(306,656)
<b>Fund balance - beginning</b>	<u>1,175,169</u>	<u>464,509</u>	<u>333,339</u>	<u>1,973,017</u>
<b>Fund balance - ending</b>	<u>\$ 1,192,621</u>	<u>\$ 456,153</u>	<u>\$ 17,587</u>	<u>\$ 1,666,361</u>

**WALTON COUNTY, GEORGIA**  
**Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2003**

	<b>Emergency 911</b>	<b>DARE Program</b>	<b>Forfeited Drug Seizure Fund</b>	<b>Seized Drug Fund</b>	<b>Law Library</b>
<b>Assets</b>					
Cash	\$ -	\$ 23,637	\$ 7,151	\$ 31,461	\$ 28,521
Investments	-	-	-	-	36,027
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from others	4,575	-	-	-	-
	<u>4,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 4,575</u>	<u>\$ 23,637</u>	<u>\$ 7,151</u>	<u>\$ 31,461</u>	<u>\$ 64,548</u>
<b>Liabilities and fund balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 43,862	\$ -	\$ -	\$ -	\$ -
Salaries and wages payable	20,549	-	-	-	-
Due to other funds	-	-	-	-	-
Due to others	-	-	-	-	-
	<u>64,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>64,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>					
Unreserved, reported in nonmajor:					
Special revenue funds	(59,836)	23,637	7,151	31,461	64,548
	<u>(59,836)</u>	<u>23,637</u>	<u>7,151</u>	<u>31,461</u>	<u>64,548</u>
<b>Total liabilities and fund balance</b>	<u>\$ 4,575</u>	<u>\$ 23,637</u>	<u>\$ 7,151</u>	<u>\$ 31,461</u>	<u>\$ 64,548</u>

<u>Crime Victim Assistance</u>	<u>DATEF</u>	<u>Clerk's Authority</u>	<u>Juvenile Supplemental Services</u>	<u>Multiple Grant Fund</u>	<u>Sheriff's Department</u>	<u>Greenspace Trust Fund</u>	<u>Total</u>
\$ 139,286	\$ 23,735	\$ 82,564	\$107,450	\$ 46,007	\$ 74,214	\$ 488,960	\$1,052,986
125,000	-	-	-	-	-	-	161,027
-	39,000	-	-	-	-	-	39,000
-	-	-	-	18,816	-	-	18,816
-	-	-	-	-	-	-	4,575
<u>\$ 264,286</u>	<u>\$ 62,735</u>	<u>\$ 82,564</u>	<u>\$107,450</u>	<u>\$ 64,823</u>	<u>\$ 74,214</u>	<u>\$ 488,960</u>	<u>\$1,276,404</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,892	\$ -	\$ -	\$ 50,754
-	-	-	-	-	-	-	20,549
-	-	-	-	-	-	600	600
-	-	-	-	11,880	-	-	11,880
-	-	-	-	18,772	-	600	83,783
<u>264,286</u>	<u>62,735</u>	<u>82,564</u>	<u>107,450</u>	<u>46,051</u>	<u>74,214</u>	<u>488,360</u>	<u>1,192,621</u>
<u>264,286</u>	<u>62,735</u>	<u>82,564</u>	<u>107,450</u>	<u>46,051</u>	<u>74,214</u>	<u>488,360</u>	<u>1,192,621</u>
<u>\$ 264,286</u>	<u>\$ 62,735</u>	<u>\$ 82,564</u>	<u>\$107,450</u>	<u>\$ 64,823</u>	<u>\$ 74,214</u>	<u>\$ 488,960</u>	<u>\$1,276,404</u>

**WALTON COUNTY, GEORGIA**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Emergency 911</u>	<u>DARE Program</u>	<u>Forfeited Drug Seizure Fund</u>	<u>Seized Drug Fund</u>	<u>Law Library</u>	<u>Crime Victim Assistance</u>
<b>Revenues</b>						
Charges for services	\$ 878,765	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	70,021
Intergovernmental	-	-	37,006	-	62,909	-
Interest	-	-	178	93	121	-
Donations	-	23,006	-	-	-	-
Other	-	-	1,131	45,504	-	-
<b>Total revenues</b>	<u>878,765</u>	<u>23,006</u>	<u>38,315</u>	<u>45,597</u>	<u>63,030</u>	<u>70,021</u>
<b>Expenditures</b>						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	56,130	-
Public safety	1,387,156	18,186	12,797	35,768	-	25,903
Other	-	-	-	-	-	-
<b>Total expenditures</b>	<u>1,387,156</u>	<u>18,186</u>	<u>12,797</u>	<u>35,768</u>	<u>56,130</u>	<u>25,903</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(508,391)</u>	<u>4,820</u>	<u>25,518</u>	<u>9,829</u>	<u>6,900</u>	<u>44,118</u>
<b>Other financing sources (uses)</b>						
Transfers (out)	(116,796)	-	(28,500)	-	-	-
Transfers in	<u>599,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>483,066</u>	<u>-</u>	<u>(28,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	(25,325)	4,820	(2,982)	9,829	6,900	44,118
<b>Fund balance - beginning</b>	<u>(34,511)</u>	<u>18,817</u>	<u>10,133</u>	<u>21,632</u>	<u>57,648</u>	<u>220,168</u>
<b>Fund balance - ending</b>	<u>\$ (59,836)</u>	<u>\$ 23,637</u>	<u>\$ 7,151</u>	<u>\$ 31,461</u>	<u>\$ 64,548</u>	<u>\$ 264,286</u>

<u>DATE</u>	<u>Clerk's Authority</u>	<u>Juvenile Supplemental Services</u>	<u>Multiple Grant Fund</u>	<u>Sheriff's Department</u>	<u>Greenspace Trust Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 113,882	\$ -	\$ 992,647
42,293	-	-	-	-	-	112,314
-	-	-	214,480	-	14,433	328,828
540	735	-	182	46	4,863	6,758
-	-	-	-	-	-	23,006
-	19,005	26,426	-	2,393	-	94,459
<u>42,833</u>	<u>19,740</u>	<u>26,426</u>	<u>214,662</u>	<u>116,321</u>	<u>19,296</u>	<u>1,558,012</u>
-	-	-	381,432	1,962	600	383,994
-	-	-	-	-	-	56,130
47,689	1,462	25,051	-	-	-	1,554,012
-	-	-	-	-	-	-
<u>47,689</u>	<u>1,462</u>	<u>25,051</u>	<u>381,432</u>	<u>1,962</u>	<u>600</u>	<u>1,994,136</u>
<u>(4,856)</u>	<u>18,278</u>	<u>1,375</u>	<u>(166,770)</u>	<u>114,359</u>	<u>18,696</u>	<u>(436,124)</u>
(18,865)	-	-	(43,948)	(40,145)	-	(248,254)
<u>1,127</u>	<u>-</u>	<u>-</u>	<u>100,841</u>	<u>-</u>	<u>-</u>	<u>701,830</u>
<u>(17,738)</u>	<u>-</u>	<u>-</u>	<u>56,893</u>	<u>(40,145)</u>	<u>-</u>	<u>453,576</u>
(22,594)	18,278	1,375	(109,877)	74,214	18,696	17,452
<u>85,329</u>	<u>64,286</u>	<u>106,075</u>	<u>155,928</u>	<u>-</u>	<u>469,664</u>	<u>1,175,169</u>
<u>\$ 62,735</u>	<u>\$ 82,564</u>	<u>\$107,450</u>	<u>\$ 46,051</u>	<u>\$ 74,214</u>	<u>\$488,360</u>	<u>\$1,192,621</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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Charges for services	\$ 803,416	\$ 878,765	\$ 878,765	\$ -
<b>Total revenues</b>	<u>803,416</u>	<u>878,765</u>	<u>878,765</u>	<u>-</u>
<b>Expenditures</b>				
Public safety	<u>1,375,083</u>	<u>1,387,156</u>	<u>1,387,156</u>	<u>-</u>
<b>Total expenditures</b>	<u>1,375,083</u>	<u>1,387,156</u>	<u>1,387,156</u>	<u>-</u>
<b>Excess of revenues under expenditures</b>	<u>(571,667)</u>	<u>(508,391)</u>	<u>(508,391)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	(116,796)	(116,796)	-
Transfers in	<u>516,873</u>	<u>599,862</u>	<u>599,862</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>516,873</u>	<u>483,066</u>	<u>483,066</u>	<u>-</u>
<b>Net change in fund balance</b>	(54,794)	(25,325)	(25,325)	-
<b>Fund balance - beginning</b>	<u>(28,817)</u>	<u>(37,633)</u>	<u>(34,511)</u>	<u>(3,122)</u>
<b>Fund balance - ending</b>	<u>\$ (83,611)</u>	<u>\$ (62,958)</u>	<u>\$ (59,836)</u>	<u>\$ (3,122)</u>

**WALTON COUNTY, GEORGIA**  
**DARE Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Donations	\$ 23,625	\$ 23,006	\$ 23,006	\$ -
<b>Total revenues</b>	<u>23,625</u>	<u>23,006</u>	<u>23,006</u>	<u>-</u>
<b>Expenditures</b>				
Public safety	<u>20,150</u>	<u>18,186</u>	<u>18,186</u>	<u>-</u>
<b>Total expenditures</b>	<u>20,150</u>	<u>18,186</u>	<u>18,186</u>	<u>-</u>
<b>Net change in fund balance</b>	3,475	4,820	4,820	-
<b>Fund balance - beginning</b>	<u>16,887</u>	<u>16,887</u>	<u>18,817</u>	<u>(1,930)</u>
<b>Fund balance - ending</b>	<u>\$ 20,362</u>	<u>\$ 21,707</u>	<u>\$ 23,637</u>	<u>\$ (1,930)</u>

**WALTON COUNTY, GEORGIA**  
**Forfeited Drug Seizure Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Interest	\$ 1,225	\$ 178	\$ 178	\$ -
Intergovernmental	8,500	37,006	37,006	-
Other	-	1,131	1,131	-
<b>Total revenues</b>	9,725	38,315	38,315	-
<b>Expenditures</b>				
Public safety	14,650	12,797	12,797	-
<b>Total expenditures</b>	14,650	12,797	12,797	-
<b>Net change in fund balance</b>	(4,925)	25,518	25,518	-
<b>Other Financing Sources:</b>				
Transfers in (out)	-	(28,500)	(28,500)	-
<b>Revenues over (under) expenditures</b>	(4,925)	(2,982)	(2,982)	-
<b>Fund balance - beginning</b>	30,439	30,439	10,133	(20,306)
<b>Fund balance - ending</b>	<u>\$ 25,514</u>	<u>\$ 27,457</u>	<u>\$ 7,151</u>	<u>\$ (20,306)</u>

**WALTON COUNTY, GEORGIA**  
**Seized Drug Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Interest	\$ 185	\$ 93	\$ 93	\$ -
Other	3,450	45,504	45,504	-
<b>Total revenues</b>	<u>3,635</u>	<u>45,597</u>	<u>45,597</u>	-
<b>Expenditures</b>				
Public safety	4,500	35,768	35,768	-
<b>Total expenditures</b>	<u>4,500</u>	<u>35,768</u>	<u>35,768</u>	-
<b>Net change in fund balance</b>	(865)	9,829	9,829	-
<b>Fund balance - beginning</b>	<u>15,478</u>	<u>15,478</u>	<u>21,632</u>	<u>6,154</u>
<b>Fund balance - ending</b>	<u>\$ 14,613</u>	<u>\$ 25,307</u>	<u>\$ 31,461</u>	<u>\$ 6,154</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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Interest	\$ 100	\$ 121	\$ 121	\$ -
Intergovernmental	50,000	62,909	62,909	-
<b>Total revenues</b>	<u>50,100</u>	<u>63,030</u>	<u>63,030</u>	-
<b>Expenditures</b>				
Judicial	42,300	56,130	56,130	-
<b>Total expenditures</b>	<u>42,300</u>	<u>56,130</u>	<u>56,130</u>	-
<b>Net change in fund balance</b>	7,800	6,900	6,900	-
<b>Fund balance - beginning</b>	<u>25,443</u>	<u>25,343</u>	<u>57,648</u>	<u>17,643</u>
<b>Fund balance - ending</b>	<u><u>\$ 33,243</u></u>	<u><u>\$ 32,243</u></u>	<u><u>\$ 64,548</u></u>	<u><u>\$ 17,643</u></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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Fines and forfeitures	\$ 58,500	\$ 70,021	\$ 70,021	\$ -
<b>Total revenues</b>	<u>58,500</u>	<u>70,021</u>	<u>70,021</u>	<u>-</u>
<b>Expenditures</b>				
Public safety	10,125	25,903	25,903	-
<b>Total expenditures</b>	<u>10,125</u>	<u>25,903</u>	<u>25,903</u>	<u>-</u>
<b>Net change in fund balance</b>	48,375	44,118	44,118	-
<b>Fund balance - beginning</b>	<u>221,562</u>	<u>221,562</u>	<u>220,168</u>	<u>1,394</u>
<b>Fund balance - ending</b>	<u><u>\$ 269,937</u></u>	<u><u>\$ 265,680</u></u>	<u><u>\$ 264,286</u></u>	<u><u>\$ 1,394</u></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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Interest	\$ 3,700	\$ 540	\$ 540	\$ -
Fines and forfeitures	53,840	42,293	42,293	-
<b>Total revenues</b>	<u>57,540</u>	<u>42,833</u>	<u>42,833</u>	-
<b>Expenditures</b>				
Public safety	72,159	47,689	47,689	-
<b>Total expenditures</b>	<u>72,159</u>	<u>47,689</u>	<u>47,689</u>	-
<b>Excess of revenues under expenditures</b>	<u>(14,619)</u>	<u>(4,856)</u>	<u>(4,856)</u>	-
<b>Other financing uses</b>				
Transfers (out)	-	(18,865)	(18,865)	-
Transfers in	-	1,127	1,127	-
<b>Total other financing uses</b>	<u>-</u>	<u>(17,738)</u>	<u>(17,738)</u>	-
<b>Net change in fund balance</b>	(14,619)	(22,594)	(22,594)	-
<b>Fund balance - beginning</b>	<u>62,695</u>	<u>104,584</u>	<u>85,329</u>	<u>19,255</u>
<b>Fund balance - ending</b>	<u>\$ 48,076</u>	<u>\$ 81,990</u>	<u>\$ 62,735</u>	<u>\$ 19,255</u>

**WALTON COUNTY, GEORGIA**  
**Clerk's Authority Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Interest	\$ -	\$ 735	\$ 735	\$ -
Other	-	19,005	19,005	-
<b>Total revenues</b>	-	19,740	19,740	-
<b>Expenditures</b>				
Public safety	-	1,462	1,462	-
<b>Total expenditures</b>	-	1,462	1,462	-
<b>Net change in fund balance</b>	-	18,278	18,278	-
<b>Fund balance - beginning</b>	54,253	54,253	64,286	(10,033)
<b>Fund balance - ending</b>	<u>\$ 54,253</u>	<u>\$ 72,531</u>	<u>\$ 82,564</u>	<u>\$ (10,033)</u>

**WALTON COUNTY, GEORGIA**  
**Juvenile Supplemental Services - Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Other	\$ -	\$ 26,426	\$ 26,426	\$ -
<b>Total revenues</b>	<u>-</u>	<u>26,426</u>	<u>26,426</u>	<u>-</u>
<b>Expenditures</b>				
Public safety	-	25,051	25,051	-
<b>Total expenditures</b>	<u>-</u>	<u>25,051</u>	<u>25,051</u>	<u>-</u>
<b>Net change in fund balance</b>	-	1,375	1,375	-
<b>Fund balance - beginning</b>	<u>99,949</u>	<u>99,949</u>	<u>106,075</u>	<u>(6,126)</u>
<b>Fund balance - ending</b>	<u>\$ 99,949</u>	<u>\$ 101,324</u>	<u>\$ 107,450</u>	<u>\$ (6,126)</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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ 206,320	\$ 214,480	\$ 214,480	\$ -
Interest	-	182	182	-
<b>Total revenues</b>	<u>206,320</u>	<u>214,662</u>	<u>214,662</u>	<u>-</u>
<b>Expenditures</b>				
General government	<u>330,558</u>	<u>381,432</u>	<u>381,432</u>	<u>-</u>
<b>Total expenditures</b>	<u>330,558</u>	<u>381,432</u>	<u>381,432</u>	<u>-</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(124,238)</u>	<u>(166,770)</u>	<u>(166,770)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	(43,948)	(43,948)	-
Transfers in	<u>113,597</u>	<u>100,841</u>	<u>100,841</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>113,597</u>	<u>56,893</u>	<u>56,893</u>	<u>-</u>
<b>Net change in fund balance</b>	(10,641)	(109,877)	(109,877)	-
<b>Fund balance - beginning</b>	<u>62,676</u>	<u>108,449</u>	<u>155,928</u>	<u>(47,479)</u>
<b>Fund balance - ending</b>	<u>\$ 52,035</u>	<u>\$ (1,428)</u>	<u>\$ 46,051</u>	<u>\$ (47,479)</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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 14,433	\$ 14,433	\$ -
Interest	-	4,863	4,863	-
Other	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>19,296</u>	<u>19,296</u>	<u>-</u>
<b>Expenditures</b>				
General government	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
<b>Total expenditures</b>	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>18,696</u>	<u>18,696</u>	<u>-</u>
<b>Fund balance - beginning</b>	<u>244,323</u>	<u>249,815</u>	<u>469,664</u>	<u>(219,849)</u>
<b>Fund balance - ending</b>	<u>\$ 244,323</u>	<u>\$ 268,511</u>	<u>\$ 488,360</u>	<u>\$ (219,849)</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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Charges for Services	\$ -	\$ 113,882	\$ 113,882	\$ -
Interest	-	46	46	-
Other	-	2,393	2,393	-
<b>Total revenues</b>	-	116,321	116,321	-
<b>Expenditures</b>				
General government	-	1,962	1,962	-
<b>Total expenditures</b>	-	1,962	1,962	-
<b>Excess of revenues over expenditures</b>	-	114,359	114,359	-
<b>Other financing sources:</b>				
Transfers (out)	-	(40,145)	(40,145)	-
<b>Net change in fund balance</b>	-	74,214	74,214	-
<b>Fund balance - beginning</b>	-	-	-	-
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ 74,214</u>	<u>\$ 74,214</u>	<u>\$ -</u>

**WALTON COUNTY, GEORGIA**  
**Debt Service Fund**  
**Balance Sheet**  
**June 30, 2003**

	<b>2003</b>
<b>Assets</b>	
Investments with fiscal agent	\$ 595,935
<b>Total assets</b>	\$ 595,935
 <b>Liabilities and fund balance</b>	
Liabilities:	
Accrued interest payable	\$ 139,782
<b>Total liabilities</b>	139,782
 Fund balance:	
Reserved	456,153
<b>Total fund balance</b>	456,153
<b>Total liabilities and fund balance</b>	\$ 595,935

**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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Interest and dividends	\$ -	\$ 8,238	\$ 8,238	\$ -
<b>Total revenues</b>	<u>-</u>	<u>8,238</u>	<u>8,238</u>	<u>-</u>
<b>Expenditures</b>				
General Government	-	252,028	252,028	-
Debt service				
Principal	1,132,528	6,154,051	6,154,051	-
Interest	577,465	1,256,532	1,256,532	-
Administrative expense	7,500	6,803	6,803	-
<b>Total expenditures</b>	<u>1,717,493</u>	<u>7,669,414</u>	<u>7,669,414</u>	<u>-</u>
<b>Excess of revenues under expenditures</b>	<u>(1,717,493)</u>	<u>(7,661,176)</u>	<u>(7,661,176)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	(465,673)	-	-	-
Transfers in	-	7,652,820	7,652,820	-
<b>Total other financing sources (uses)</b>	<u>(465,673)</u>	<u>7,652,820</u>	<u>7,652,820</u>	<u>-</u>
<b>Excess of revenues and other sources under expenditures and other uses</b>	<u>\$ (2,183,166)</u>	<u>\$ (8,356)</u>	<u>(8,356)</u>	<u>\$ -</u>
<b>Fund balance - beginning</b>			<u>464,509</u>	
<b>Fund balance - ending</b>			<u>\$ 456,153</u>	

**WALTON COUNTY, GEORGIA**  
**Capital Projects Fund**  
**Balance Sheet**  
**June 30, 2003**

	<b>2003</b>
<b>Assets</b>	
Cash	\$ 17,587
Due from other funds	-
<b>Total assets</b>	<b>\$ 17,587</b>
 <b>Liabilities and fund balance</b>	
Liabilities:	
Due to others	\$ -
Due to other funds	-
<b>Total liabilities</b>	<b>-</b>
 Fund balances:	
Unreserved, reported in nonmajor:	
Capital project funds	17,587
<b>Total fund balance</b>	<b>17,587</b>
<b>Total liabilities and fund balance</b>	<b>\$ 17,587</b>

**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, 2003**

	<b>Capital Projects</b>			<b>Total To Date</b>
	<b>Project Budget</b>	<b>Prior Year</b>	<b>Current Year</b>	
<b>Revenues</b>				
Intergovernmental	\$ 1,427,000	\$ 1,551,364	\$ 126,836	\$ 1,678,200
Other	381,009	176,050	-	176,050
Interest	-	7,387	134	7,521
<b>Total revenues</b>	<u>1,808,009</u>	<u>1,734,801</u>	<u>126,970</u>	<u>1,861,771</u>
<b>Expenditures</b>				
Purchased/Contracted	-	4,000	-	4,000
Capital outlay	1,783,009	1,895,481	562,940	2,458,421
Issuance and admin costs	25,000	87,521	-	87,521
<b>Total expenditures</b>	<u>1,808,009</u>	<u>1,987,002</u>	<u>562,940</u>	<u>2,549,942</u>
<b>Excess of revenues over (under) expenditures</b>	-	(252,201)	(435,970)	(688,171)
<b>Other financing sources (uses)</b>				
Transfers in	-	907,735	210,836	1,118,571
Transfers out	-	(39,000)	(90,618)	(129,618)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>868,735</u>	<u>120,218</u>	<u>988,953</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 616,534</u>	(315,752)	<u>\$ 300,782</u>
<b>Fund balance - beginning</b>			<u>333,339</u>	
<b>Fund balance - ending</b>			<u>\$ 17,587</u>	

# **Nonmajor Business-type Funds**

## **Internal Service Funds**

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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.

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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, 2003**

	<u>Employee Benefits Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 118,411	\$ -	\$ 118,411
Investments	290,458	335,975	626,433
<b>Total assets</b>	<u>408,869</u>	<u>335,975</u>	<u>744,844</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdraft	353,356	-	353,356
Accounts payable	334,643	-	334,643
<b>Total liabilities</b>	<u>687,999</u>	<u>-</u>	<u>687,999</u>
<b>Net assets</b>			
Unreserved:			
Designated for employee benefits	(279,130)	335,975	56,845
<b>Total net assets</b>	<u>\$ (279,130)</u>	<u>\$ 335,975</u>	<u>\$ 56,845</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, 2003**

	<u>Employee Benefits Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
<b>Revenues</b>			
Other revenues	\$ 2,390,000	\$ 4,863	\$ 2,394,863
<b>Total operating revenues</b>	<u>2,390,000</u>	<u>4,863</u>	<u>2,394,863</u>
<b>Expenses</b>			
Non departmental	3,279,094	149,670	3,428,764
<b>Total operating expenses</b>	<u>3,279,094</u>	<u>149,670</u>	<u>3,428,764</u>
<b>Operating loss</b>	<u>(889,094)</u>	<u>(144,807)</u>	<u>(1,033,901)</u>
<b>Nonoperating revenues</b>			
Transfers in	500,000	-	500,000
Interest earned	6,722	10,976	17,698
Net increase in fair value of investments	(375)	-	(375)
<b>Total nonoperating revenues</b>	<u>506,347</u>	<u>10,976</u>	<u>517,323</u>
<b>Net loss</b>	(382,747)	(133,831)	(516,578)
<b>Total net assets - beginning</b>	<u>103,617</u>	<u>280,155</u>	<u>383,772</u>
<b>Prior period adjustment</b>	-	189,651	189,651
<b>Total net assets - ending</b>	<u>\$ (279,130)</u>	<u>\$ 335,975</u>	<u>\$ 56,845</u>

**WALTON COUNTY, GEORGIA**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Employee Benefits Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Claims paid to outsiders	\$(3,283,709)	\$ (149,670)	\$ (3,433,379)
Other operations revenues	2,390,000	4,863	2,394,863
<b>Net cash used by operating activities</b>	<u>(893,709)</u>	<u>(144,807)</u>	<u>(1,038,516)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from other funds	500,000	-	500,000
<b>Net cash provided by noncapital financing activities</b>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
<b>Cash flows from investing activities:</b>			
Net investment income	6,347	10,976	17,323
<b>Net cash provided by investing activities</b>	<u>6,347</u>	<u>10,976</u>	<u>17,323</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(387,362)</u>	<u>(133,831)</u>	<u>(521,193)</u>
<b>Cash and cash equivalents, July 1</b>	796,230	469,806	1,266,036
<b>Cash and cash equivalents, June 30</b>	<u>\$ 408,868</u>	<u>\$ 335,975</u>	<u>\$ 744,843</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>			
Operating loss	\$ (889,094)	\$ (144,807)	\$ (1,033,901)
Adjustments to reconcile operating income to net cash used by operating activities:			
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	(113,920)	(189,651)	(303,571)
Increase (decrease) in bank overdraft	109,305	-	109,305
Total adjustments	<u>(4,615)</u>	<u>(189,651)</u>	<u>(194,266)</u>
<b>Net cash used by operating activities</b>	<u>\$ (893,709)</u>	<u>\$ (334,458)</u>	<u>\$ (1,228,167)</u>

# **Fiduciary Funds**

**WALTON COUNTY, GEORGIA**  
**Agency Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Balance</u> <u>6/30/2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2003</u>
<b><u>TAX COMMISSIONER</u></b>				
Assets				
Cash	\$ 36,691	\$ 50,689,318	\$ 50,688,151	\$ 37,858
Receivables	(53)	10,018	2,486	7,479
	<u>\$ 36,638</u>	<u>\$ 50,699,336</u>	<u>\$ 50,690,637</u>	<u>\$ 45,337</u>
Liabilities				
Due to other state funds	\$ 12,032	\$ 18,028,784	\$ 18,049,619	\$ (8,803)
Due to other governments	2,656	32,636,853	32,637,019	2,490
Due to others	21,950	33,698	3,998	51,650
	<u>\$ 36,638</u>	<u>\$ 50,699,335</u>	<u>\$ 50,690,636</u>	<u>\$ 45,337</u>
<b><u>SHERIFF</u></b>				
Assets				
Cash	\$ 34,522	\$ 1,199,987	\$ 1,229,693	\$ 4,816
Liabilities				
Due to other funds	\$ 31,721	\$ 915,454	\$ 947,175	\$ -
Due to others	2,801	284,533	282,518	4,816
	<u>\$ 34,522</u>	<u>\$ 1,199,987</u>	<u>\$ 1,229,693</u>	<u>\$ 4,816</u>
<b><u>CLERK OF SUPERIOR COURT</u></b>				
Assets				
Cash	\$ 194,059	\$ 4,638,805	\$ 4,477,357	\$ 355,507
	<u>\$ 194,059</u>	<u>\$ 4,638,805</u>	<u>\$ 4,477,357</u>	<u>\$ 355,507</u>
Liabilities				
Due to other funds	\$ -	\$ 1,887,450	\$ 1,887,450	\$ -
Due to other governments	-	650,970	650,970	-
Due to others	194,059	2,100,385	1,938,937	355,507
	<u>\$ 194,059</u>	<u>\$ 4,638,805</u>	<u>\$ 4,477,357</u>	<u>\$ 355,507</u>

**WALTON COUNTY, GEORGIA**  
**Agency Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Balance</u> <u>6/30/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/03</u>
<b><u>PROBATE COURT</u></b>				
Assets				
Cash	\$ -	\$ 1,183,205	\$ 1,183,205	\$ -
	<u>\$ -</u>	<u>\$ 1,183,205</u>	<u>\$ 1,183,205</u>	<u>\$ -</u>
Liabilities				
Due to other funds	\$ -	\$ 904,371	\$ 904,371	\$ -
Due to other governments	-	14,573	14,573	-
Due to others	-	264,261	264,261	-
	<u>\$ -</u>	<u>\$ 1,183,205</u>	<u>\$ 1,183,205</u>	<u>\$ -</u>
<b><u>MAGISTRATE COURT</u></b>				
Assets				
Cash	\$ 29,251	\$ 603,496	\$ 603,164	\$ 29,583
	<u>\$ 29,251</u>	<u>\$ 603,496</u>	<u>\$ 603,164</u>	<u>\$ 29,583</u>
Liabilities				
Due to other funds	\$ -	\$ 18,518	\$ 18,518	\$ -
Due to other governments	-	175,875	175,875	-
Due to others	29,251	409,103	408,771	29,583
	<u>\$ 29,251</u>	<u>\$ 603,496</u>	<u>\$ 603,164</u>	<u>\$ 29,583</u>
<b><u>JUVENILE COURT</u></b>				
Assets				
Cash	\$ 1,304	\$ 17,868	\$ 16,429	\$ 2,743
	<u>\$ 1,304</u>	<u>\$ 17,868</u>	<u>\$ 16,429</u>	<u>\$ 2,743</u>
Liabilities				
Due to other governments	\$ -	\$ 15,800	\$ 15,800	\$ -
Due to others	1,304	2,068	629	2,743
	<u>\$ 1,304</u>	<u>\$ 17,868</u>	<u>\$ 16,429</u>	<u>\$ 2,743</u>

**WALTON COUNTY, GEORGIA**  
**Agency Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Balance</u> <u>6/30/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/03</u>
<b><u>TAX ASSESSORS</u></b>				
Assets				
Cash	\$ 3,095	\$ 11,151	\$ 12,031	\$ 2,215
	<u>\$ 3,095</u>	<u>\$ 11,151</u>	<u>\$ 12,031</u>	<u>\$ 2,215</u>
Liabilities				
Due to other funds	\$ -	\$ 8,941	\$ 8,941	\$ -
Due to other governments	3,095	1,850	2,730	2,215
Due to others	-	360	360	-
	<u>\$ 3,095</u>	<u>\$ 11,151</u>	<u>\$ 12,031</u>	<u>\$ 2,215</u>
<b><u>CODE ENFORCEMENT</u></b>				
Assets				
Cash	\$ 224	\$ 933,978	\$ 934,202	\$ -
	<u>\$ 224</u>	<u>\$ 933,978</u>	<u>\$ 934,202</u>	<u>\$ -</u>
Liabilities				
Due to other funds	\$ 224	\$ 933,978	\$ 934,202	\$ -
	<u>\$ 224</u>	<u>\$ 933,978</u>	<u>\$ 934,202</u>	<u>\$ -</u>
<b><u>ANIMAL CONTROL</u></b>				
Assets				
Cash	\$ (1,072)	\$ 30,768	\$ 29,696	\$ -
	<u>\$ (1,072)</u>	<u>\$ 30,768</u>	<u>\$ 29,696</u>	<u>\$ -</u>
Liabilities				
Due to other funds	\$ (1,072)	\$ 30,768	\$ 29,696	\$ -
	<u>\$ (1,072)</u>	<u>\$ 30,768</u>	<u>\$ 29,696</u>	<u>\$ -</u>
<b><u>TOTALS</u></b>				
Assets				
Cash	\$ 298,074	\$ 59,308,577	\$ 59,173,928	\$ 432,723
Receivables	(53)	10,018	2,486	7,479
	<u>\$ 298,021</u>	<u>\$ 59,318,595</u>	<u>\$ 59,176,414</u>	<u>\$ 440,202</u>
Liabilities				
Due to other funds	\$ 42,905	\$ 22,728,264	\$ 22,779,972	\$ (8,803)
Due to other governments	5,751	33,495,921	33,496,967	4,705
Due to others	249,365	3,094,409	2,899,474	444,300
	<u>\$ 298,021</u>	<u>\$ 59,318,594</u>	<u>\$ 59,176,413</u>	<u>\$ 440,202</u>

# **STATISTICAL SECTION**

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

<b>Fiscal Year</b>	<b>General Government</b>	<b>Judicial</b>	<b>Public Safety</b>	<b>Highways and Streets</b>	<b>Health and Welfare</b>	<b>Culture and Recreation</b>	<b>Housing and Development</b>	<b>Debt Service</b>	<b>Other</b>	<b>Total</b>
<b>2003</b>	\$ 5,219	\$ 2,951	\$ 13,898	\$ 4,939	\$ 629	\$ 1,403	\$ 1,144	\$ 7,411	\$ 563	\$ 38,157
<b>2002</b>	4,159	2,928	11,767	4,694	465	615	1,197	2,788	929	29,542
<b>2001</b>	4,080	2,443	9,323	2,718	-	53	-	2,062	5,225	25,904
<b>2000</b>	6,817	2,376	7,719	4,072	-	42	-	5,117	2,952	29,095
<b>1999</b>	6,275	2,027	6,848	3,721	-	46	-	1,291	2,406	22,614
<b>1998</b>	6,202	1,750	6,324	3,063	-	34	-	1,439	2,127	20,939
<b>1997</b>	5,533	1,782	5,571	3,198	-	39	-	1,258	2,366	19,747
<b>1996</b>	5,351	1,635	5,481	2,435	-	40	-	672	6,214	21,828
<b>1995</b>	5,356	1,562	4,790	2,594	-	48	-	331	4,563	19,244
<b>1994</b>	4,736	1,471	3,923	1,845	-	38	-	-	4,245	16,258

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

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

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Charges for Services</b>	<b>Fines and Forfeitures</b>	<b>Inter- governmental</b>	<b>Interest</b>	<b>Other</b>	<b>Total</b>
<b>2003</b>	\$ 30,321	\$ 709	\$ 1,167	\$ 1,529	\$ 3,545	\$ 542	\$ 344	\$ 38,157
<b>2002</b>	23,306	747	3,197	1,507	2,008	252	65	31,082
<b>2001</b>	20,156	684	2,219	1,274	67	454	194	25,048
<b>2000</b>	19,144	842	752	1,040	1,097	303	1,209	24,387
<b>1999</b>	17,365	741	712	967	475	257	1,205	21,722
<b>1998</b>	15,365	604	629	964	581	354	1,226	19,723
<b>1997</b>	15,321	482	772	870	835	309	868	19,457
<b>1996</b>	14,093	389	643	752	461	377	884	17,599
<b>1995</b>	12,565	357	491	707	694	389	2,481	17,684
<b>1994</b>	12,084	326	520	715	619	206	2,910	17,380

(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)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax (1)</b>	<b>Franchise Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Insurance Premium Tax</b>	<b>Real Estate Transfer Tax</b>	<b>Other Taxes</b>	<b>Total</b>
<b>2003</b>	\$ 17,107	\$ 10,017	\$ 125	\$ 170	\$ 1,421	\$ 1,025	\$ 184	\$ 29,865
<b>2002</b>	16,459	4,460	144	166	1,287	716	-	23,232
<b>2001</b>	14,555	4,008	144	151	876	132	-	19,866
<b>2000</b>	14,012	3,601	143	130	830	134	-	18,850
<b>1999</b>	12,508	3,219	132	116	818	97	-	16,890
<b>1998</b>	10,696	2,805	110	101	781	79	-	14,572
<b>1997</b>	10,972	2,556	89	89	742	87	-	14,535
<b>1996</b>	10,048	2,314	106	85	696	74	-	13,323
<b>1995</b>	8,930	2,173	49	84	659	60	-	11,955
<b>1994</b>	8,505	1,993	63	87	649	55	-	11,352
<b>1993</b>	9,137	1,764	46	88	586	47	-	11,668

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

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

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

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

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

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

<u>Fiscal Year</u>	<u>State of Georgia</u>	<u>Walton County M &amp; O</u>	<u>Walton County School M &amp; O</u>	<u>Walton County School Bond</u>	<u>Total</u>
2003	0.25	10.08	16.94	0.96	\$ 28.23
2002	0.25	10.08	16.95	0.99	28.27
2001	0.25	10.09	16.95	0.99	28.28
2000	0.25	10.09	18.04	1.05	29.43
1999	0.25	10.46	17.28	1.37	29.36
1998	0.25	10.69	15.32	1.54	27.80
1997	0.25	10.83	15.32	1.68	28.08
1996	0.25	11.83	15.75	1.75	29.58
1995	0.25	11.83	13.75	-	25.83
1994	0.25	10.83	13.75	-	24.83

**WALTON COUNTY, GEORGIA**  
**Principal Taxpayers**  
**37802**  
**(000's omitted)**  
**(Unaudited)**

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Levied</u>	<u>Percentage of Total Assessed Value</u>
<b>Doyle 1 LLC</b>	\$ 33,431	\$ 945	2.06%
<b>Walton EMC</b>	16,353	462	1.01%
<b>Pike Electric Inc.</b>	15,333	434	0.94%
<b>Transcontinental Gas</b>	8,367	237	0.52%
<b>Avondale Mills</b>	7,911	224	0.49%
<b>Alltell GA Communications</b>	6,477	183	0.40%
<b>Georgia Power Corp.</b>	4,114	116	0.25%
<b>BellSouth Telecomm Inc.</b>	3,952	112	0.24%
<b>Standridge Color Corp.</b>	3,790	107	0.23%
<b>Harry M. Arnold, Jr.</b>	3,581	101	0.22%
	<u>\$ 103,309</u>	2,921	6.36%

Total Assessed for all Taxpayers \$ 1,622,940

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

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

**WALTON COUNTY, GEORGIA**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds**  
**37802**  
(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>
<b>Direct:</b>			
County Certificates of Participation 1994 General Obligation Bonds	1,615 <u>22,630</u>	100% 100%	1,615 <u>22,630</u>
<b>Total Direct</b>	24,245		24,245
<b>Overlapping:</b>			
Walton County Board of Education Walton County Development Authority Joint Development Authority of Jasper Morgan, Newton & Walton Counties	10,615 2,600 <u>8,400</u>	100% 100% 37.50%	10,615 2,600 <u>3,150</u>
<b>Total Overlapping</b>	<u>21,615</u>		<u>16,365</u>
<b>Total Direct and Overlapping</b>	45,860		40,610

**WALTON COUNTY, GEORGIA**  
**Computation of Legal Debt Margin**  
**37802**  
**(amounts expressed in thousands)**  
**(Unaudited)**

<b>Assessed valuations:</b>	
Assessed value	\$ 1,622,940
Add back: exempt real property	<u>139,064</u>
<b>Total assessed value</b>	1,762,004
<b>Legal debt margin:</b>	
Debt limitation-10% of assessed value	176,200
<b>Debt applicable to limitation:</b>	
Total bonded debt	22,830
Less: Revenue bonds	<u>-</u>
<b>Total debt applicable to limitation</b>	<u>22,830</u>
<b>Legal debt margin:</b>	<u><u>\$ 153,370</u></u>

# **COMPLIANCE SECTION**

# Treadwell, Jamplin & Co.

Certified Public Accountants

A Limited Liability Partnership

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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Commissioners of  
Walton County, Georgia

We have audited the financial statements of Walton County, Georgia as of and for the year ended June 30, 2003, and have issued our report thereon dated November 10, 2003. We did not audit the financial statements of the Walton County Health Department. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Walton County Health Department, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Walton County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Walton County, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Walton County, Georgia in a separate letter dated November 10, 2003.

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

*Treadwell, Jamplin & Co.*

November 10, 2003

**WALTON COUNTY, GEORGIA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2003**

<b>Federal Grantor/ Pass through grants</b>	<b>CFDA Number</b>	<b>Grantor Number</b>	<b>Award</b>	<b>Receipts</b>	<b>Current Expenditures</b>	<b>To Date Expenditures</b>
<b>Department of Housing &amp; Urban Development</b>						
Passed through - Georgia Dept. of Community Affairs	14.219	02p-y-147-1-2638	\$ 500,000	\$ 500,000	\$ 17,967	\$ 17,967
Community Development Block Grant	14.219	00p-y-147-1-2363	500,000	500,000	18,768	499,898
			1,000,000	1,000,000	36,735	517,865
<b>Department of Justice</b>						
Passed through - Criminal Justice Coordinating Council- Victim Witness Assistance Program	16.575	C01-8-139	49,203	29,667	29,667	29,667
	16.575	C01-8-105	59,119	46,367	16,502	46,367
	16.575	C02-8-120	59,119	37,628	37,628	37,628
			167,441	113,662	83,797	113,662
Passed through - Children & Youth Coordinating Council Juvenile Justice Prosecutor Program	16.540	00B-ST-0001	25,000	25,000	-	25,000
			25,000	25,000	-	25,000
Passed through - Children & Youth Coordinating Council Juvenile Accountability Based Sanctions Program	16.523	01B-ST-0001	25,000	23,741	8,309	21,621
	16.523	99B-ST-0004	25,000	2,978	-	2,978
	16.523	02B-ST-0002	25,000	12,826	12,826	12,826
			75,000	39,545	21,135	37,425
Local Law Enforcement Block Grant Program	16.592	2001-LB-BX-0934	38,637	38,637	-	38,637
	16.592	2002-LB-BX-1804	29,553	29,553	14,426	14,426
	16.592	2000-LB-VX-0407	30,297	30,297	30,297	30,297
	16.592	2000-LB-BX-3171	40,077	40,077	40,077	40,044
	16.592	1995-CF-WX-2044	75,000	75,000	-	75,000
			213,564	213,564	84,800	198,404
Bureau of Justice Assistance Bullet Proof Vest Program	16.607	2002-BUBX-2011577	2,854	2,854	1,946	2,854
			2,854	2,854	1,946	2,854
<b>Department of Transportation</b>						
Passed through - Georgia Dept of Transportation	20.205	STP-000E(133)	583,000	468,670	-	583,000
	20.219	STP-000E(134)	344,000	-	-	130,364
	20.600	157-PT-03-122	40,000	40,000	-	428
			967,000	508,670	-	713,364
<b>Department of Agriculture</b>						
USDA NCRS	10.062	68-4310-1-78	8,639	2,085	2,085	2,085
	10.062	68-4310-1-78	8,339	8,339	6,477	8,339
			16,978	10,424	8,562	10,424
			\$ 2,467,837	\$ 1,913,719	\$ 236,975	\$ 1,618,998

**WALTON COUNTY, GEORGIA**  
**Schedule of Projects Constructed**  
**With Special 2001 Sales Tax Proceeds**  
**For the Fiscal Year Ended June 30, 2003**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>	<u>Percentage Complete</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Judicial - Administration building	\$ 17,785,000	\$ 194,519	\$ 923,563	\$ 1,118,082	6.29%
Jail Addition	\$ 9,938,000	\$ 231,067	\$ 767,185	\$ 998,252	10.04%
Recreation facilities	\$ 7,660,000	\$ 23,200	\$1,346,646	\$ 1,369,846	17.88%
Road Projects	\$ 8,317,000	\$ 331,190	\$ -	\$ 331,190	3.98%

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

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Walton County, Georgia's compliance during the fiscal year ended June 30, 2003 with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for each of the following award(s):

### Special Project Appropriations

Award amount	02-CL-455	\$ 20,000
Award amount	02-CL-919	\$373,000
Award amount	03-CL-976	\$ 15,000
Award amount	03-CL-978	\$ 5,000

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

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

In our opinion, management's assertion that Walton County, Georgia complied with the aforementioned requirement for the fiscal year ended June 30, 2003 is fairly stated, in all material respects.

*Treadwell, Jamplin & Co.*

November 10, 2003

**STATE OF GEORGIA GRANT CERTIFICATION FORM**

A	Local Government	<b>Walton County, GA</b>			
B	Information For Year Ended	<b>6/30/2003</b>			
C	State Awarding Agency	<b>Georgia Department of Community Affairs</b>			
D	Grant Identification Number	<b>02-C-L-455</b>	<b>02-C-L-919</b>	<b>03-C-L-978</b>	<b>03-C-L-976</b>
E	Grant Title	<b>Local Assistance Grant</b>			
F	Grant Award Date	<b>07/01/01</b>	<b>07/01/01</b>	<b>07/01/02</b>	<b>07/01/02</b>
G	Grant Amount	<b>\$20,000</b>	<b>\$373,000</b>	<b>\$5,000</b>	<b>\$15,000</b>
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	<b>\$20,000</b>	<b>\$351,504</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
I	Grant Receipts or Revenue Recognized	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$5,000</b>	<b>\$15,000</b>
J	Grant Disbursements or Expenditures	<b>\$-0-</b>	<b>\$351,504</b>	<b>\$5,000</b>	<b>\$15,000</b>
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J)	<b>\$20,000</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>

**Certification of Local Government Officials**

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

Signature of Chief Elected Official: *Kenn W. Bell* Date *01-06-04*

Signature of Chief Financial Officer: *David McDaniel* Date *01-06-2004*

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## **REPORT ON SCHEDULE OF STATE CONTRACTUAL ASSISTANCE**

We have audited the financial statements of Walton County, Georgia as of and for the year ended June 30, 2003, and have issued our report thereon dated November 10, 2003. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of state contractual assistance is presented for purposes of additional analysis as required by the Department of Human Resources and is not a required part of the financial statements of Walton County, Georgia. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Treadwell, Jamplin & Co.*

November 10, 2003

**WALTON COUNTY, GEORGIA**  
**Schedule of State Contractual Assistance**  
**For the Fiscal Year Ended June 30, 2003**

<u>State Program Name</u>	<u>Contract Number</u>	<u>Actual Revenue Received</u>	<u>Expenditures</u>	<u>Amount Due To/From State</u>
Family Connection	93-35155	\$ 50,000	\$ 50,000	\$ 11,880

## Georgia Greenspace Annual Certification Form

	Current Year FY 2003	Previous Year/s FY 2001-2002
Local Government: Walton County, Georgia	Greenspace Goal Under Current Plan Total Acres:	Greenspace Goal Under Previous Plan Total Acres:
Permanently Protected Greenspace acres, acquired through Trust Funds, and through other means.	Trust Funds: (total acres from this reporting year) - Other Means: -	Trust Funds: (total acres from this reporting year) - Other Means: -
Greenspace Grant Award	Date of Award: 7/8/2002	Date of Award: 6/13/2001 5/24/2002
Date, amount, interest earned, total expenditures, and Balance.	Amount of Award: \$ 14,433 Interest: 4,863 Minus expenditures: 617.00 Total Balance: \$ 488,373	Amount of Award: \$ 464,139 Interest: 5,555.00 Minus expenditures: - Total Balance: \$ 469,694
Greenspace Funds Expended Date parcel name acreage amount legal interest greenspace purpose served.	1. Date: None as yet Parcel: Acres: Amount: Interest: Purpose:  2. Date: Parcel: Acres: Amount: Interest: Purpose:  3. Date: Parcel: Acres: Amount: Interest: Purpose:	1. Date: None as yet Parcel: Acres: Amount: Interest: Purpose:  2. Date: Parcel: Acres: Amount: Interest: Purpose:  3. Date: Parcel: Acres: Amount: Interest: Purpose:

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

Signature of Chief Elected Official

*Kevin W. Pettit*

Date 01-06-04

Signature of Chief Financial Officer

*Meridy McDaniel*

Date 01/06/04