

WALTON COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

WALTON COUNTY, GEORGIA

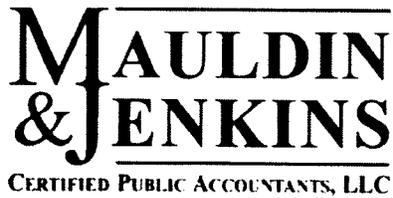
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Walton County, Georgia** (the "County") as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Walton County Health Department, which represent 17 percent, 15 percent, and 79 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Walton County Health Department is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Walton County, Georgia, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2009, on our consideration of Walton County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 15) and Schedules of Funding Progress and budgetary comparison information (on pages 65 through 67, respectively) are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 14, 2009

MANAGEMENT'S DISCUSSION & ANALYSIS

WALTON COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

Our discussion and analysis of Walton County's financial performance provides an overview and analysis of the County's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the County's financial statements, which begin on page 16 and the Notes to the Financial Statements, which begin on page 29.

FINANCIAL HIGHLIGHTS

- The County's net assets totaled \$160.7 million for its governmental and business-type activities, a *decrease* of approximately \$1,875,000 from the previous fiscal year primarily due to draw down SPLOST funds and Labor Creek Reservoir bond funds.
- Walton County closed FY 2009 with a governmental fund balance of approximately \$60 million. This reflects a fund balance of \$27.1 million for Special Local Option Sales Tax (SPLOST) Funds, \$7 million for Debt Service Funds and \$4 million for other non-major governmental funds. The fund balance of \$21.5 million for the general fund is an increase of \$1.1 million over FY 2008.
- Total combined revenues for governmental and business-type activities were \$67 million, a decrease of approximately \$6 million over the previous fiscal year due to a combination of drop in interest earned, permits issued, decrease in LOST and SPLOST, real estate recordings and water sales.
- Overall expenses were \$69.2 million, of which governmental activities were \$56.4 million and business-type activities were \$12.8 million.
- As of June 30, 2009, governmental activities' expenses exceeded program revenues, resulting in the use of \$47.6 million in general revenues, primarily taxes and net assets.
- In the County's enterprise funds, operating revenues were \$9.3 million and expenses were \$10.7 million, for an operating loss of approximately \$1.4 million FY 2009. This compares with operating losses of \$1.9 million for the prior fiscal year primarily as a result of cost cutting measures implemented by the County.
- The General Fund resources available for appropriation were \$1.1 million less than budgeted, and expenditures were \$3.9 million less than budgeted.
- The unreserved fund balance of \$21.3 million in the General Fund was an *increase* of \$1 million from the prior fiscal year.
- On July 1, 2006, the County began collecting impact fees. The County collected \$90,367 in Impact Fees in FY 2009. Collections, combined with interest earned, resulted in a fund balance of \$858,817.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Government-Wide financial statements, the *Statement of Net Assets* and the *Statement of Activities* (on pages 15-16) 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 17. 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 6. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The *Statement of Net Assets* and the *Statement of Activities* report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

- *Governmental activities*—Most of the County's basic services are reported here, including the public safety, public works, judicial, planning, development, and parks departments, as well as general administration. Property taxes, fees, fines, and state and federal grants finance most of these activities.
- *Business-type activities*—The County charges a fee to customers to help it cover the cost of certain services it provides. The County's Emergency Medical Services, Water and Sewer, and Solid Waste and Recycling Operations are reported here.
- *Component units*—The County includes four separate legal entities in its report—the Walton County Development Authority, the Walton County Commission on Children & Youth, the Walton County Health Department, and the Walton County Water and Sewerage Authority. Although legally separate, these "component units" are important because the County is either financially accountable, or may maintain control by means of appointments to the governing boards of these organizations, or may be required by the state to report them as component units. The Walton County Water and Sewerage Authority is a blended component unit reported as part of the County's Water and Sewer Fund. Financial Statements for the County's other three component units are found beginning on page 26.

Reporting the County's Most Significant Funds

Fund Financial Statements

Our analysis of the County's major funds begins on page 10. The fund financial statements begin on page 18 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required by State law and by bond covenants. However, the County establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Justice). The County's 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 19 and 21, 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 22.

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 and Liabilities on page 26. 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 decreased approximately \$1,875,000 from a year ago—from \$162.5 million to \$160.7 million primarily as a result of spending for SPLOST and the Hard Labor Creek Reservoir projects. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County’s governmental and business-type activities.

	<u>Government Activities</u>		<u>Business - Type</u>		<u>Total Primary</u>	
	2009	2008	2009	2008	2009	2008
Assets:						
Current Assets	\$ 32,060	\$ 28,463	\$ 12,308	\$ 11,180	\$ 44,369	\$ 39,643
Restricted Assets	34,764	58,699	43,877	57,752	78,641	116,451
Capital Assets-net	111,724	102,858	79,977	66,576	191,701	169,434
Total Assets:	178,548	190,020	136,162	135,508	314,711	325,528
Liabilities:						
Long-term debt outstanding	54,392	62,852	91,371	92,597	145,763	155,449
Other Liabilities	4,778	4,823	3,491	2,702	8,269	7,525
Total Liabilities	59,170	67,675	94,862	95,299	154,032	162,974
Net Assets:						
Invested in Capital Assets, net of debt	89,664	90,713	24,916	23,585	114,580	114,298
Restricted	5,348	8,904	7,751	8,474	13,099	17,378
Unrestricted	24,366	22,727	8,633	8,150	33,000	30,877
Total Net Assets:	\$ 119,378	\$ 122,345	\$ 41,300	\$ 40,209	\$ 160,679	\$ 162,554

Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—increased by \$2.1 million this year, as compared to the end of the prior year. The increase in unrestricted net assets is mostly due to the items discussed on page 3.

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

Included in the County’s combined current and other assets of \$66.8 million for governmental activities is \$5.3 million of Special Purpose Local Option Sales Tax revenue to be used for debt service payments on the Counties SPLOST Bond, \$29 million in proceeds from the Counties SPLOST Bond, issued February 6, 2007 for park and recreation projects, the County administration and judicial facility, various road projects, public safety projects including state patrol office, drivers license office, fire station, upgrade of E-911 towers and radios, senior center, animal shelter, and various water and sewer projects. Over the life of the SPLOST, the County has carefully monitored and conservatively projected revenues when budgeting expenditures to ensure that monthly SPLOST revenues satisfy the SPLOST debt service.

The County reported positive balances in all categories of net assets for FY 2009, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

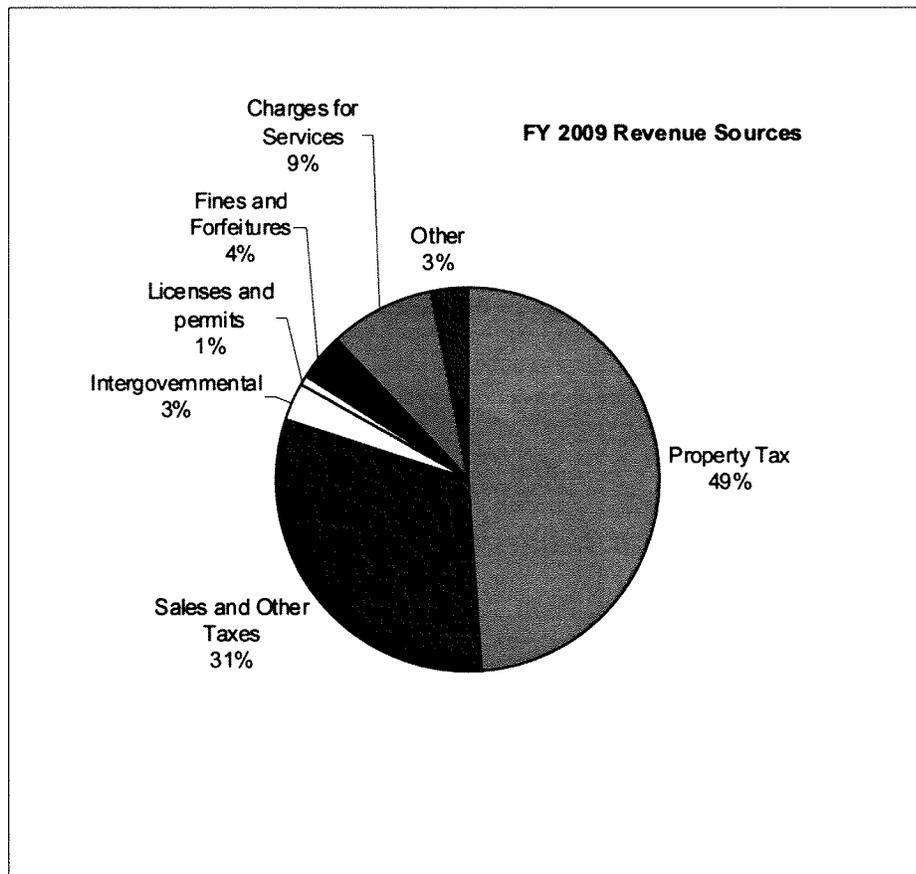
CHANGES IN NET ASSETS:

The County's total change in net assets from the prior fiscal year was a decrease of \$1.9 million.

The imposition of a 1% Special Local Option Sales Tax beginning on January 1, 2007, which raised \$8.6 million in FY 2009, \$9.9 million in FY 2008, and \$5.2 million in FY 2007. As of June 30, 2009, the 2007 SPLOST has raised a cumulative total of approximately \$15.1 million which is being used to meet the debt service payments on the 2007 General Obligation Bonds issued for SPLOST related projects.

	Table 2 Changes in Net Assets (000's Omitted)					
	<u>Government Activities</u>		<u>Business - Type</u>		<u>Total Primary</u>	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 7,929	\$ 7,570	\$ 9,301	\$ 9,326	\$ 17,230	\$ 16,896
Operating grants	774	527	-	-	774	527
Capital grants	18	1,124	-	489	18	1,613
General revenues:						
Property taxes	28,063	28,255	-	-	28,063	28,255
Other Taxes	17,742	19,800	-	-	17,742	19,800
Investment Earnings	1,076	3,519	872	2,759	1,948	6,278
Intergovernmental	1,540	-	-	-	1,540	-
Total Revenues:	57,142	60,795	10,173	12,574	67,315	73,369
Program Expenses:						
General government	8,474	7,736	-	-	8,474	7,736
Judicial	4,937	4,541	-	-	4,937	4,541
Public Safety	20,739	19,477	-	-	20,739	19,447
Public Works	13,627	14,528	-	-	13,627	14,528
Health and welfare	1,250	1,126	-	-	1,250	1,126
Culture and recreation	3,855	3,132	-	-	3,855	3,132
Housing and Development	1,508	2,294	-	-	1,508	2,294
Interest and fiscal charges	1,989	2,391	-	-	1,989	2,391
EMS	-	-	2,719	2,760	2,719	2,760
Water and Sewer	-	-	8,990	9,938	8,990	9,938
Solid Waste	-	-	1,103	1,092	1,103	1,092
Total Expenses:	56,379	55,225	12,812	13,790	69,191	69,015
Increase (decrease) in net assets before transfers	763	5,570	(2,639)	(1,216)	(1,876)	4,354
Transfers	(3,730)	(2,598)	3,730	2,598	-	-
Increase (decrease) in net assets	(2,967)	2,972	1,091	1,382	(1,876)	4,354
Net Assets - beginning	122,345	119,373	40,209	38,827	162,554	158,200
Net Assets Ending	\$ 119,378	\$ 122,345	\$ 41,300	\$ 40,209	\$ 160,678	\$ 162,554

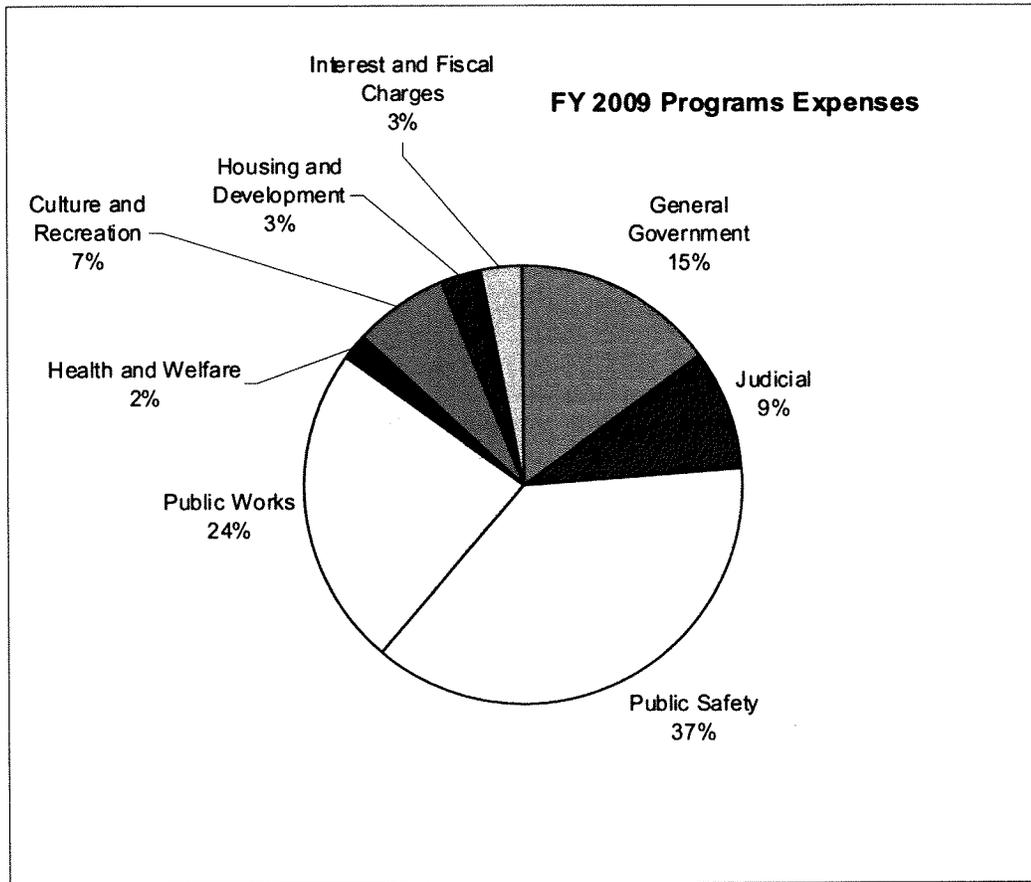
As can be seen from the chart below, approximately 79% of the County's combined total revenue was provided by taxes. Property taxes accounted for 49% and 31% by sales and other taxes. Property Taxes as a percent of the County's total revenue was up 3% as a result of decrease in assessed property values and economic conditions. Sales and Other Taxes as a percentage of the County's total revenue were down 2% as a result of the continued economic slow down experienced this fiscal year. The County charges fees for services for a variety of services including housing stray animals, disposal of non-recyclables, providing certified copies of documents, issuing building permits, and impact fees. Additionally, the Courts (Superior, Probate, Magistrate & Juvenile) impose fines for violations of laws and ordinances. As a whole, fees, fines, and charges for services increase as a percentage of revenue from last year accounting for 13% of the County's revenue up from 10% last year. The remaining 8%, which includes revenue from intergovernmental sources, investment income, licenses and permits was down 1% from the pervious year.



The County's major expense, ensuring public safety, remained the same, 38% of the combined total expenses. Public Safety includes law enforcement, jail operations, fire protection, E-911, coroner, animal control, and emergency management.

Expenses for the Culture and Recreation program, which began August 2002, required 7% of total combined expenses; this represents a 1% increase over last year. The very successful countywide park and recreation program involves several thousand youth in softball, basketball, cheerleading, football, and soccer activities funded primarily by SPLOST and Impact Fee revenues.

The County continually assesses the condition of its infrastructure and engages in systematic preventive maintenance as well as improvements on the 744 miles of county-maintained roads. The County was able to resurface 27.6 miles of roads in FY 2009, which is 9.9 less than the miles of roads resurfaced in the prior fiscal year and included 1.5 miles of road reconstruction. Resurfacing costs were disbursed in the Public Works Program, which decreased as percentage from 26% of total program expenses in FY 2008 to 24% in FY 2009 primarily due to road and bridge projects; overall Public Works expenses decreased by 6% in the current fiscal year.



The General Fund subsidized EMS \$1,197,028 and Solid Waste \$615,501, which is down 32% from FY 2008 for EMS and up around 19% for Solid Waste. In the EMS Fund, operating revenues increased by approximately 35%, primarily due to increase emergency runs made by EMS, while expenses decreased by 1.7% due primarily to decrease in fuel costs and overtime from last year. In the Solid Waste Fund, revenues decreased by approximately 13%, due primarily to an combination of decrease landfill use fees resulting from decrease in construction in the County and decrease in recycling income, while Solid Waste enterprise fund expenses increased by approximately 1%. Capital Assets, net of depreciation, decreased slightly for both EMS and Solid Waste. The Water enterprise realized an operating income of \$436,520 in FY 2009 up from \$368,258 in FY 2008. There was a modest increase in net assets for business-type activities of \$1,091 million due to the completion of various capital projects in the Water and Sewer Enterprise Fund.

THE COUNTY'S FUNDS

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

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

The County ended the 2009 fiscal year with a combined fund balance of \$59.5 million for governmental funds including \$28.9 million reserved for SPLOST projects and \$8 million in reserved Special Revenue, Capital Projects, and Debt Service Funds. The remaining fund balance remained unreserved.

Major Funds: General Fund

The General Fund is the operating fund of the County. At the end of fiscal year 2009, the unreserved fund balance was \$21.3 million. As a measure of liquidity, it may be useful to compare the unreserved fund balance to the sum of total expenditures for the General Fund and total other financing uses. The unreserved General Fund balance represents 49% of that total, up 2% from the previous year.

The fund balance in the general fund increased \$1.1 million during FY 2009. Tax revenues from sales tax and the 2008 tax digest assessments provided the bulk of General Fund revenue, the County's taxes decreased, while total revenues decreased by less than 1%. Expenditures increased by \$1.3 million due primarily to rising cost of health care and increase operating costs associated with the opening of Walton County's two new recreation facilities and increase in Judicial and Public Safety activities. Walton County was able to meet public safety needs, expansion of parks and recreation facilities and services, along with repair and maintenance of the Counties roads and bridges. The County was able to take the rollback millage rate for 2008 property taxes received in FY 2009. In an effort to be good stewards of taxpayers' funds, County offices continued to make concerted efforts to improve efficiencies in providing necessary services. Additional information about the General Fund can be found in the Budgetary Comparison Schedule.

Special Local Option Sales Tax (SPLOST) Capital Projects Fund

The SPLOST 2001 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 G/O bond obligation issued in conjunction with the 2001 SPLOST referendum was paid off in 2007. Remaining SPLOST 2001 proceeds were spent to complete Monroe-Felker Park and work on Gratis, Bold Springs, Rabbit Farm Parks, Matthews Park, completion of the judicial building and various road projects, including \$600,000 provided to Social Circle for repairs to a city bridge in FY 2009.

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

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

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

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

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

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

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

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

City of Between – administrative facilities.

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

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

In FY 2009, several capital projects were funded with SPLOST funds. The County's Parks and Recreation and Senior Center projects were completed, E-911 upgrade was 89% complete at the end of FY 2009 along with substantial progress with other SPLOST projects both for the County and participating cities. Fund balance in the SPLOST fund decreased approximately 41.5% from FY 2008 due to the use of SPLOST funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of principal and interest from government resources when the County is obligated for the payment. During FY 2009, the Fund Balance decreased approximately \$1.9 million to \$6.9 million due to debt service payments exceeding the SPLOST revenues received.

Non-Major Governmental Funds

Liabilities in the non-major governmental funds were \$453,182, and the unreserved fund balance was approximately \$1.3 million for the year ended June 30, 2009 down slightly from FY 2008. The non-major governmental fund totals are a combination of the following special revenue funds and capital projects funds:

Special Revenue Funds

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

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

Capital Projects Funds

The governmental capital projects funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. The County's construction project not accounted for in the Special Local Option Sales Tax fund was to begin construction on Jersey Park completed in FY 2009.

The Board of Commissioners adopted the Development Impact Fee Ordinance of Walton County, Georgia to "ensure that adequate public facilities are available to serve new growth and development in Walton County and to provide that new growth and development bears a proportionate share of the cost of the new public facilities needed to serve them...The Ordinance is intended to implement and be consistent with the Walton County Comprehensive Plan, as it may be adopted or amended in accord with the Georgia Comprehensive Planning Act (O.C.G.A. 50-8-1 *et seq.*); and the *Minimum Standards and Procedures for Local Comprehensive Planning* and the *Development Impact Fee Compliance Requirements*, both as adopted by the Georgia Board of Community Affairs and amended from time to time." In 2009, County impact fees generated \$90,367 in income, down over 73% from FY 2008 due to the decline in development and new construction. Of the funds accumulated earnings, \$67,004 was made available for the libraries of Walton County.

Proprietary Funds

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

The County's two internal service funds for employee health care and worker's compensation claims had combined assets of \$1.04 million, liabilities of \$ 1.62 million, and unreserved net assets totaling \$(584,000).

The EMS Fund revenues were up \$404,865, approximately 35% due to rise in ambulance calls while expense in the EMS Fund decreased \$46,248 from FY 2008, 1.7%, due primarily to a decrease in personnel overtime costs and fuel costs. The Water and Sewer Fund had a \$358,916 decrease in revenues, 4.67%, due to the continuation of watering restrictions during FY 2009. Expenses in the Water and Sewer Fund decreased by \$427,178 from FY 2008, approximately 5.8%, due primarily to a decrease in operating costs associated with slowing construction associated with service line extension. Solid Waste Fund experienced a \$69,457 decrease in revenues from FY 2008, approximately 13.77%, due primarily to reduction in tipping fees associated with construction and the drop in scrap prices. Solid Waste Fund experienced a slight increase in expenses of \$9,680, approximately 1%, due primarily to minor increases in operating cost.

More detailed information about the County's proprietary funds can be found beginning on page 22.

Fiduciary Funds

These agency funds are used to account for resources held for the benefit of parties outside the government; therefore assets are equal to liabilities. Additional information is available on page 79 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 the intended purposes.

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 County's final General Fund revenue and expenditure budgets for FY 2009 reflect a decrease of approximately \$1.1 million over FY 2008.

Few significant budget amendments were made in FY 2009. Most budget amendments were related to public safety and public works and funds were transferred from other parts of their operating budgets to cover the increase in expenditures.

As previously stated, by the end of fiscal year 2009, revenues, including reimbursements, exceeded expenditures resulting in a \$1.1 million increase in fund balance for the General Fund. The Board of Commissioners exerts considerable control over expenditures during the course of the fiscal year and continually seeks more efficient and cost effective means for providing services to the citizens of Walton County.

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, 2009 amounted to \$190 million, net of accumulated depreciation. This investment in capital assets includes land, site improvements, construction-in-progress, buildings and building improvements, equipment, and infrastructure. Total capital assets, net of additions, retirements and depreciation, increased \$9 million for governmental activities and increased approximately \$13.4 million for business-type activities due to SPLOST capital projects and the water department's system expansion. Depreciation expense for the governmental activities for the period was \$4.9 million and \$13.8 million was expensed for capital outlay. Additional information on Capital Assets can be found in Note 3-D of the *Notes to the Financial Statements*.

Major capital asset activities in 2009 were:

- \$4.3 million for road resurfacing and road construction projects
- \$98,810 donation for ambulance
- \$124,000 for park construction and improvements including playground equipment
- \$180,906 for vehicles and equipment for maintenance of parks
- \$17,818 for vehicle for facilities maintenance
- \$24,500 for software in Magistrate Court
- \$15,300 for fingerprint scanner and software for Probate Court
- \$13,200 for copier
- \$313,964 for sheriff vehicles, including 9 patrol cars and 1 SUV

Long-term Debt

As of June 30, 2009, Walton County had \$46.9 million in outstanding general obligation debt principal, of which \$9.5 million was due within one year. The remaining governmental long-term debt is comprised of waterline and reservoir agreements with Newton County, capital leases on equipment, and Four County Industrial Development bond issue.

Water and Sewer Fund outstanding debt decreased slightly from \$92.2 million to \$91.9 million in FY 2009. Outstanding debt decreased by \$1.21 million in FY 2009, \$660,965 was a reduction in bond debt, and a \$552,528 reduction in outstanding notes payable. The Water and Sewer Debt is comprised of four bond issues including \$60.52 million for the Hard Labor Creek Reservoir project. Notes payable consist of a GEFA note for the service line expansion, two notes for joint project for Cornish Creek Reservoir with Newton County, and a note to Citi Corp for converting water meters to radio read meters.

Additional information about the County's long-term debt can be found in Note 3-F of the *Notes to the Financial Statements*.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board of Commissioners sets rigorous standards for sound financial management of the County, regularly considering the needs of the community in light of the costs to provide for those needs and the various sources of funding available. The Board of Commissioners did not approve a cost of living increase in the FY 2009 budget due to the down turn in the economy.

The Board of Commissioners annually adopts a balanced budget, sets the millage rate to provide general revenues to cover the costs of all county programs that are not covered by specific program revenues, maintains an adequate unreserved general fund balance, and adopts financial policies to enhance the ability to maintain a safe and sound financial structure for the County.

The County's elected and appointed officials considered many factors when setting the fiscal-year 2009 fund budgets and tax rates. One of those factors was the economy. Economic activity in Walton County followed regional and national trends, slowing toward the end of the fiscal year compared to previous years. Retail sales and related taxes decreased slightly during the year. As development occurred, the tax digest increased, and the County was able to maintain satisfactory levels of service to its citizens and hold the millage rate constant.

The Commissioners actively participate in regional planning with State and Federal agencies, neighboring counties and the counties in the Atlanta metropolitan area, as well as with the municipalities within the County to maximize services to our citizens and minimize the costs of providing those services. Local Governments, the Industrial Development Authority, and the Chamber of Commerce work together to develop and expand business and industry in Walton County. Also, the Joint Development Authority, a four-county regional technology park – Stanton Springs, provides a venue for future growth of business and industry in the area.

Growth will undoubtedly bring increased demands on existing infrastructure, water supply, wastewater treatment, and solid waste disposal. The County pursued the reorganization of the Walton County Water and Sewage Authority, approved by the State of Georgia Legislature on April 15, 2005, in order to plan and secure the future water service and supply requirements for the Citizens of Walton

County. The County staff is working with engineers to determine the best capital improvement plan and financial projections for land acquisition, water distribution and transmission, and wastewater collection and treatment. The Hard Labor Creek reservoir project, a joint venture between Walton County, Oconee County and the Walton County Water Authority moved forward with two revenue bond issues for Phase I of the project, the purchase of land and engineer for the reservoir and dam.

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

The Board of Commissioners is looking forward in fiscal year 2010 to the scheduled opening of the General Mills Regional Distribution Center. Several new small businesses opened in the Walton County despite the slow down in the economy. Walton County began construction of the new Animal Control building and State Patrol Post both scheduled to open in FY 2010. Plans for a new fire station and drivers license center were begun in FY 2009 with the purchase of land for the projects from SPLOST funds.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

WALTON COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 25,208,277	\$ 7,496,328	\$ 32,704.605	\$ 1,084,736
Cash and cash equivalents - restricted	34,763,727	43,876,983	78,640.710	-
Investments	254,173	2,165,888	2,420.061	-
Receivables, net of allowance for uncollectibles				
Accounts	5,132,069	1,388,778	6,520.847	73,028
Interest	-	14,829	14.829	-
Internal balances	416,850	(416,850)	-	-
Due from primary government	-	-	-	9,618
Inventories	131,115	37,295	168,410	-
Prepaid items	172,168	1,574	173.742	56
Net pension asset	431,778	-	431.778	-
Bond issuance costs	313,660	1,620,956	1,934.616	-
Sub-total	<u>66,823,817</u>	<u>56,185,781</u>	<u>123,009,598</u>	<u>1,167,438</u>
Capital assets				
Nondepreciable	24,611,615	35,066,536	59,678.151	3,851,493
Depreciable, net	87,112,730	44,910,216	132,022.946	42,593
Capital assets, net of depreciation	<u>111,724,345</u>	<u>79,976,752</u>	<u>191,701.097</u>	<u>3,894,086</u>
Total Assets	<u>178,548,162</u>	<u>136,162,533</u>	<u>314,710.695</u>	<u>5,061,524</u>
Liabilities				
Accounts payable	3,147,326	1,030,067	4,177.393	3,147
Accrued expenses	29,097	113,945	143.042	2,310
Due to other governments	489,198	-	489.198	-
Due to component unit	9,618	-	9.618	-
Accrued interest	1,102,850	1,606,041	2,708.891	-
Customer deposits	-	741,492	741.492	-
Funds held in trust	-	-	-	2,885
Long-term Liabilities				
Due within one year:				
Claims payable	1,280,936	-	1,280.936	-
Compensated absences	1,148,167	156,480	1,304.647	22,714
Post-closure costs	-	5,747	5.747	-
Notes payable	253,000	615,965	868.965	-
Contracts payable	191,066	-	191.066	-
Bonds payable	9,978,975	605,000	10,583.975	-
Due in more than one year:				
Bonds payable	38,209,826	80,007,586	118,217.412	-
Claims payable	324,380	-	324.380	-
Compensated absences	127,574	106,810	234.384	77,643
Post-closure costs	-	45,976	45.976	-
Contracts payable	2,842,673	-	2,842.673	-
Notes payable	-	9,826,975	9,826.975	-
Net OPEB liability	35,433	-	35.433	-
Total Liabilities	<u>59,170,119</u>	<u>94,862,084</u>	<u>154,032.203</u>	<u>108,699</u>
Net Assets				
Invested in capital assets, net of related debt	89,664,056	24,915,940	114,579.996	3,894,086
Restricted for				
Debt service	5,348,476	7,751,281	13,099.757	-
Program purpose	-	-	-	496,199
Unrestricted	<u>24,365,511</u>	<u>8,633,228</u>	<u>32,998.739</u>	<u>562,540</u>
Total Net Assets	<u>\$ 119,378,043</u>	<u>\$ 41,300,449</u>	<u>\$ 160,678.492</u>	<u>\$ 4,952,825</u>

See accompanying notes to the basic financial statements

WALTON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities								
General government	\$ 8,473,779	\$ 2,546,818	\$ -	\$ -	\$ (5,926,961)	\$ -	\$ (5,926,961)	\$ -
Public safety	20,738,985	2,290,539	185,961	18,000	(18,244,485)	-	(18,244,485)	-
Public works	13,627,096	475,877	2,728	-	(13,148,491)	-	(13,148,491)	-
Judicial	4,937,461	1,497,291	228,998	-	(3,211,172)	-	(3,211,172)	-
Health and welfare	1,249,540	-	267,503	-	(982,037)	-	(982,037)	-
Culture and recreation	3,855,014	703,794	76,100	-	(3,075,120)	-	(3,075,120)	-
Housing & development	1,507,943	414,753	12,281	-	(1,080,909)	-	(1,080,909)	-
Interest on long-term debt	1,989,288	-	-	-	(1,989,288)	-	(1,989,288)	-
Total governmental activities	56,379,106	7,929,072	773,571	18,000	(47,658,463)	-	(47,658,463)	-
Business-Type Activities								
EMS	2,719,449	1,535,034	-	-	(1,184,415)	-	(1,184,415)	-
Water & Sewer	8,989,867	7,331,766	-	-	(1,658,101)	-	(1,658,101)	-
Solid Waste	1,103,069	434,965	-	-	(668,104)	-	(668,104)	-
Total business-type activities	12,812,385	9,301,765	-	-	(3,510,620)	-	(3,510,620)	-
Total Primary Government	\$ 69,191,491	\$ 17,230,837	\$ 773,571	\$ 18,000	(47,658,463)	(3,510,620)	(51,169,083)	-
Total Component Units	\$ 2,039,674	\$ 491,830	\$ 1,662,340	\$ -	-	-	-	114,496
General Revenues								
Property tax					28,063,405	-	28,063,405	-
Sales tax					14,496,936	-	14,496,936	-
Insurance premium					1,988,346	-	1,988,346	-
Real estate recording					467,154	-	467,154	-
Other					789,953	-	789,953	-
Total taxes					45,805,794	-	45,805,794	-
Interest earnings					1,075,584	871,777	1,947,361	40,620
Intergovernmental not restricted to specific programs					1,540,422	-	1,540,422	-
Transfers					(3,729,840)	3,729,840	-	-
Total general revenues and transfers					44,691,960	4,601,617	49,293,577	40,620
Change in Net Assets					(2,966,503)	1,090,997	(1,875,506)	155,116
Net Assets - Beginning of year					122,344,546	40,209,452	162,553,998	4,797,709
Net Assets - End of year					\$ 119,378,043	\$ 41,300,449	\$ 160,678,492	\$ 4,952,825

See accompanying notes to the basic financial statements

WALTON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General Fund	Capital Projects 2007 SPLOST	Debt Service Funds	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 20,991,741	\$ -	\$ -	\$ 4,145,345	\$ 25,137,086
Cash and cash equivalents-restricted	-	29,415,251	5,348,476	-	34,763,727
Receivables (Net of allowance for uncollectibles)	2,474,450	-	1,739,627	323,145	4,537,222
Prepayments	29,942	-	51,241	3,013	84,196
Inventories	131,115	-	-	-	131,115
Due from other funds	1,260,832	-	-	36,384	1,297,216
Total Assets	\$ 24,888,080	\$ 29,415,251	\$ 7,139,344	\$ 4,507,887	\$ 65,950,562
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,819,219	\$ 1,136,584	\$ -	\$ 177,167	\$ 3,132,970
Accrued liabilities	-	-	-	29,097	29,097
Due to other funds	45,605	731,580	-	131,121	908,306
Due to other governments	-	489,198	-	-	489,198
Due to component unit	-	-	-	9,618	9,618
Deferred revenue	1,556,505	-	174,430	106,179	1,837,114
Total Liabilities	3,421,329	2,357,362	174,430	453,182	6,406,303
Fund Balances:					
Reserved for:					
Prepays	29,942	-	51,241	3,013	84,196
Inventories	131,115	-	-	-	131,115
Debt service	-	-	6,913,673	-	6,913,673
Capital projects	-	27,057,889	-	2,753,837	29,811,726
Unreserved:					
Undesignated, reported in:					
General fund	21,305,694	-	-	-	21,305,694
Special Revenue Funds	-	-	-	1,297,855	1,297,855
Total Fund Balances	21,466,751	27,057,889	6,964,914	4,054,705	59,544,259
Total Liabilities and Fund Balances	\$ 24,888,080	\$ 29,415,251	\$ 7,139,344	\$ 4,507,887	\$ 65,950,562

See accompanying notes to the basic financial statements

WALTON COUNTY

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2009

Total Fund Balances per Balance Sheet of Governmental Funds \$ 59,544,259

Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.

Capital assets, net of accumulated depreciation 111,724,345

Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds

Property taxes	1,443,331	
Deferred grant revenue	106,179	
Sales taxes	287,604	
		1,837,114

Net pension asset is not available during the current period and therefore, is not reported in the funds 431,778

Net OPEB liability is not reported in the funds. (35,433)

Internal service funds are used by management to charge the costs of health and workers' compensation insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets. (583,549)

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.

Notes payable	(253,000)	
Contracts payable	(3,033,739)	
Bonds payable	(46,915,000)	
Bond premium	(1,273,801)	
Bond issuance costs	313,660	
Accrued interest	(1,102,850)	
Compensated absences	(1,275,741)	
		(53,540,471)

Total Net Assets of Governmental Activities \$ 119,378,043

See accompanying notes to the basic financial statements

WALTON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Capital Projects 2007 SPLOST	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Taxes	\$ 36,188,793	\$ -	\$ 8,605,372	\$ -	\$ 44,794,165
Intergovernmental	1,729,937	-	-	307,397	2,037,334
Licenses and permits	253,225	-	-	90,367	343,592
Fines and forfeitures	1,789,150	-	-	255,313	2,044,463
Charges for services	3,888,257	-	-	1,414,607	5,302,864
Interest earnings	258,605	661,741	102,466	52,772	1,075,584
Donations	77,721	-	-	103,753	181,474
Other revenues	190,421	1,000	-	35,738	227,159
Total Revenues	44,376,109	662,741	8,707,838	2,259,947	56,006,635
<u>Expenditures:</u>					
Current:					
General government	6,949,713	-	-	447,169	7,396,882
Public safety	16,947,416	126,368	-	1,641,330	18,715,114
Public works	4,392,914	3,681,509	-	-	8,074,423
Judicial	4,334,859	-	-	351,571	4,686,430
Health and welfare	842,118	14,868	-	387,898	1,244,884
Recreation	2,973,687	99,049	-	76,987	3,149,723
Housing and development	1,411,536	-	-	2,298	1,413,834
Intergovernmental	-	3,402,578	-	-	3,402,578
Debt Service					
Principal	-	-	8,441,887	-	8,441,887
Interest and fiscal charges	-	276	2,797,490	-	2,797,766
Capital Outlay	2,665,686	10,634,768	-	263,291	13,563,745
Total Expenditures	40,517,929	17,959,416	11,239,377	3,170,544	72,887,266
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,858,180	(17,296,675)	(2,531,539)	(910,597)	(16,880,631)
<u>Other Financing Sources (Uses)</u>					
Transfers from other funds	160,996	-	592,730	496,523	1,250,249
Transfers to other funds	(2,881,975)	(1,917,172)	-	(180,942)	(4,980,089)
Total other financing sources (uses)	(2,720,979)	(1,917,172)	592,730	315,581	(3,729,840)
Net change in fund balances	1,137,201	(19,213,847)	(1,938,809)	(595,016)	(20,610,471)
Fund Balance, beginning of year	20,329,550	46,271,736	8,903,723	4,649,721	80,154,730
Fund Balance, end of year	\$ 21,466,751	\$ 27,057,889	\$ 6,964,914	\$ 4,054,705	\$ 59,544,259

See accompanying notes to the basic financial statements

WALTON COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net Changes In Fund Balances - Total Governmental Funds \$(20,610,471)

Amounts reported for governmental activities in the statement of activities are different as a result of:

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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Depreciation expense	(4,994,136)	
Capital outlay	<u>13,842,320</u>	8,848,184

The effect of donations of capital assets is to increase net assets 18,000

Governmental funds report the effect of issuance costs, premiums, discounts and other 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.

Principal payments on debt	8,441,887	
Amortization of deferred charges	(137,594)	
Amortization of bond premiums	558,778	
Decrease in accrued interest	<u>249,700</u>	9,112,771

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

Compensated absences, current year	(1,275,741)	
Compensated absences, prior year	<u>1,195,247</u>	(80,494)

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 in governmental activities. (1,400,499)

Revenues that are not available to provide current financial resources are not reported as revenues in the funds.

Grant revenue, current year	106,179	
Taxes, current year	1,730,935	
Taxes, prior year	<u>(719,306)</u>	1,117,808

The current year increase in the OPEB liability increases expenditures on the government-wide statements (35,433)

Net pension asset is not available during the current period and therefore is not reported in the funds.

Net pension asset, current year	431,778	
Net pension asset, prior year	<u>(368,147)</u>	63,631

Change in Net Assets of Governmental Activities \$ (2,966,503)

See accompanying notes to the basic financial statements

WALTON COUNTY, GEORGIA

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	EMS	Water & Sewer	Solid Waste	Total	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 520	\$ 7,495,808	\$ -	\$ 7,496,328	\$ 71,191
Restricted cash and cash equivalents	-	43,876,983	-	43,876,983	-
Investments	-	2,165,888	-	2,165,888	254,173
Receivables:					
Accounts, net of allowance	394,873	967,380	26,525	1,388,778	594,694
Interest receivable	-	14,829	-	14,829	153
Interfund receivable	-	-	-	-	27,940
Inventories	-	31,126	6,169	37,295	-
Prepayments	413	719	442	1,574	87,972
Total Current Assets	395,806	54,552,733	33,136	54,981,675	1,036,123
Noncurrent Assets:					
Deferred charges	-	1,620,956	-	1,620,956	-
Capital Assets:					
Nondepreciable	-	34,714,416	352,120	35,066,536	-
Depreciable, net	257,939	44,403,927	248,350	44,910,216	-
Total Capital Assets	257,939	79,118,343	600,470	79,976,752	-
Total Assets	653,745	135,292,032	633,606	136,579,383	1,036,123
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	14,084	974,985	40,998	1,030,067	14,356
Accrued expenses	57,418	39,780	16,747	113,945	-
Compensated absences payable	75,418	51,832	29,230	156,480	-
Accrued interest	-	1,606,041	-	1,606,041	-
Interfund payable	264	415,732	854	416,850	-
Consumer deposits	-	741,492	-	741,492	-
Claims payable	-	-	-	-	1,280,936
Post-closure	-	-	5,747	5,747	-
Notes payable-current portion	-	615,965	-	615,965	-
Bonds payable-current portion	-	605,000	-	605,000	-
Total Current Liabilities	147,184	5,050,827	93,576	5,291,587	1,295,292
Noncurrent Liabilities:					
Post-closure	-	-	45,976	45,976	-
Notes payable-long-term	-	9,826,975	-	9,826,975	-
Bonds payable-long-term	-	80,007,586	-	80,007,586	-
Claims payable-long-term	-	-	-	-	324,380
Compensated absences	53,899	36,279	16,632	106,810	-
Total Noncurrent Liabilities	53,899	89,870,840	62,608	89,987,347	324,380
Total Liabilities	201,083	94,921,667	156,184	95,278,934	1,619,672
Net Assets:					
Invested in capital assets, net of related debt	257,939	24,057,531	600,470	24,915,940	-
Restricted for debt service	-	7,751,281	-	7,751,281	-
Unrestricted	194,723	8,561,553	(123,048)	8,633,228	(583,549)
Total Net Assets	\$ 452,662	\$ 40,370,365	\$ 477,422	\$ 41,300,449	\$ (583,549)

See accompanying notes to the basic financial statements

WALTON COUNTY, GEORGIA

STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	EMS	Water & Sewer	Solid Waste	Total	
<u>Operating Revenues</u>					
Water sales	\$ -	\$ 6,611,289	\$ -	\$ 6,611,289	\$ -
Charges for services	1,508,324	513,266	434,965	2,456,555	5,890,255
Other	26,710	207,211	-	233,921	-
Total Operating Revenues	<u>1,535,034</u>	<u>7,331,766</u>	<u>434,965</u>	<u>9,301,765</u>	<u>5,890,255</u>
<u>Operating Expenses</u>					
Administrative	-	-	-	-	742,962
Claims	-	-	-	-	6,436,113
Fiduciary fees	-	-	-	-	6,567
Insurance	-	-	-	-	175,345
Water & sewer purchases	-	1,727,996	-	1,727,996	-
Salaries and benefits	2,422,919	1,940,456	779,711	5,143,086	-
Purchased services	48,849	-	130,158	179,007	-
Materials and supplies	142,847	164,549	-	307,396	-
Disposal fees	-	-	153,850	153,850	-
Other	-	1,208,825	-	1,208,825	-
Depreciation	99,273	1,853,420	37,890	1,990,583	-
Total Operating Expenses	<u>2,713,888</u>	<u>6,895,246</u>	<u>1,101,609</u>	<u>10,710,743</u>	<u>7,360,987</u>
Operating Income (Loss)	<u>(1,178,854)</u>	<u>436,520</u>	<u>(666,644)</u>	<u>(1,408,978)</u>	<u>(1,470,732)</u>
<u>Non-Operating Revenues (Expenses)</u>					
Amortization	-	(12,517)	-	(12,517)	-
Interest expense	-	(2,082,104)	-	(2,082,104)	-
Interest earnings	388	871,288	101	871,777	70,233
Gain/(loss) on disposal of capital assets	(5,561)	-	(1,460)	(7,021)	-
Total Non-operating Revenues (Expenses)	<u>(5,173)</u>	<u>(1,223,333)</u>	<u>(1,359)</u>	<u>(1,229,865)</u>	<u>70,233</u>
Loss Before Transfers	<u>(1,184,027)</u>	<u>(786,813)</u>	<u>(668,003)</u>	<u>(2,638,843)</u>	<u>(1,400,499)</u>
Transfers					
Transfers from other funds	1,197,028	1,917,311	615,501	3,729,840	-
Total Transfers	<u>1,197,028</u>	<u>1,917,311</u>	<u>615,501</u>	<u>3,729,840</u>	<u>-</u>
Change in Net Assets	13,001	1,130,498	(52,502)	1,090,997	(1,400,499)
Net Assets, beginning of year	439,661	39,239,867	529,924	40,209,452	816,950
Net Assets, end of year	<u>\$ 452,662</u>	<u>\$ 40,370,365</u>	<u>\$ 477,422</u>	<u>\$ 41,300,449</u>	<u>\$ (583,549)</u>

See accompanying notes to the basic financial statements

WALTON COUNTY, GEORGIA
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	EMS	Water & Sewer	Solid Waste	Total	
<u>Cash Flows from Operating Activities</u>					
Cash received from customers and others	\$ 1,502,545	\$ 7,190,699	\$ 422,703	\$ 9,115,947	\$ -
Internal activity - payments from other funds	-	-	-	-	5,618,304
Cash payments to employees for services	(2,414,428)	(2,018,863)	(772,066)	(5,205,357)	-
Cash payments for goods and services	(186,268)	(2,029,056)	(272,656)	(2,487,980)	(6,955,930)
Net Cash Provided by (Used in) Operating Activities	<u>(1,098,151)</u>	<u>3,142,780</u>	<u>(622,019)</u>	<u>1,422,610</u>	<u>(1,337,626)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Principal reduction bonds & notes payable	-	(1,132,528)	-	(1,132,528)	-
Postclosure costs	-	-	(5,747)	(5,747)	-
Interest paid	-	(1,890,260)	-	(1,890,260)	-
Acquisition of assets	(98,810)	(15,282,358)	(16,900)	(15,398,068)	-
Net Cash Used for Capital and Related Financing Activities	<u>(98,810)</u>	<u>(18,305,146)</u>	<u>(22,647)</u>	<u>(18,426,603)</u>	<u>-</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Transfers from other funds	1,197,028	1,917,311	615,501	3,729,840	-
Net Cash Flows from Noncapital Financing Activities	<u>1,197,028</u>	<u>1,917,311</u>	<u>615,501</u>	<u>3,729,840</u>	<u>-</u>
<u>Cash Flows from Investing Activities</u>					
Proceeds from investments	-	-	-	-	1,006,058
Purchase of investments	-	(811,952)	-	(811,952)	-
Interest received	388	856,459	101	856,948	70,080
Net Cash Flows Provided by Investing Activities	<u>388</u>	<u>44,507</u>	<u>101</u>	<u>44,996</u>	<u>1,076,138</u>
Net Increase (Decrease) in Cash and Cash Equivalents	455	(13,200,548)	(29,064)	(13,229,157)	(261,488)
Cash and Cash Equivalents Beginning of Year	65	64,573,339	29,064	64,602,468	332,679
Cash and Cash Equivalents End of Year	<u>\$ 520</u>	<u>\$ 51,372,791</u>	<u>\$ -</u>	<u>\$ 51,373,311</u>	<u>\$ 71,191</u>

See accompanying notes to the basic financial statements

WALTON COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	EMS	Water & Sewer	Solid Waste	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ (1,178,854)	\$ 436,520	\$ (666,644)	\$ (1,408,978)	\$ (1,470,732)
Adjustments:					
Depreciation	99,273	1,853,420	37,890	1,990,583	-
(Increase) Decrease in Assets:					
Accounts receivable	(32,489)	(141,067)	(12,262)	(185,818)	(258,045)
Due from other funds	-	-	-	-	(13,906)
Inventories	-	(11,853)	7,957	(3,896)	-
Prepayments	(1)	(320)	(172)	(493)	(6,140)
Increase (Decrease) in Liabilities:					
Accounts payable	5,165	625,763	2,713	633,641	(13,819)
Claims payable	-	-	-	-	425,016
Accrued wages	4,381	(61,447)	2,265	(54,801)	-
Customer deposits	-	19,042	-	19,042	-
Interfund receivable/payable	264	439,682	854	440,800	-
Compensated absences	4,110	(16,960)	5,380	(7,470)	-
Net Cash Provided by (Used in) Operating Activities	\$ (1,098,151)	\$ 3,142,780	\$ (622,019)	\$ 1,422,610	\$ (1,337,626)

See accompanying notes to the basic financial statements

WALTON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2009

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 3,489,102
Taxes receivable	<u>3,001,714</u>
	<u>\$ 6,490,816</u>
Liabilities	
Due to others	\$ 3,489,102
Unremitted taxes	<u>3,001,714</u>
Total Liabilities	<u>\$ 6,490,816</u>

See accompanying notes to the basic financial statements

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF NET ASSETS
 COMPONENT UNITS
 JUNE 30, 2009

	Development Authority	Health Department	Commission on Children & Youth	Total
ASSETS				
Cash and cash equivalents	\$ 204,107	\$ 741,636	\$ 138,993	\$ 1,084,736
Receivables, net of allowance	-	73,028	-	73,028
Due from primary government	-	-	9,618	9,618
Prepayments	56	-	-	56
Capital assets:				
Capital assets not being depreciated	3,851,493	-	-	3,851,493
Capital assets being depreciated	41,967	161,321	-	203,288
Less accumulated depreciation	(39,664)	(121,031)	-	(160,695)
Total Assets	4,057,959	854,954	148,611	5,061,524
LIABILITIES				
Accounts payable	-	2,590	557	3,147
Accrued liabilities	2,310	-	-	2,310
Funds held in trust	-	-	2,885	2,885
Compensated absences-current	-	22,714	-	22,714
Compensated absences-noncurrent	-	77,643	-	77,643
Total Liabilities	2,310	102,947	3,442	108,699
NET ASSETS				
Invested in capital assets, net of related debt	3,853,796	40,290	-	3,894,086
Restricted for health services	-	496,199	-	496,199
Unrestricted	201,853	215,518	145,169	562,540
Total Net Assets	\$ 4,055,649	\$ 752,007	\$ 145,169	\$ 4,952,825

See accompanying notes to the basic financial statements

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2009

	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Development Authority	Health Department	Commission on Children & Youth	Total
Development Authority	\$ 192,386	\$ 500	\$ 200,000	\$ -	\$ 8,114	\$ -	\$ -	\$ 8,114
Health Department	1,691,464	483,351	1,233,927	-	-	25,814	-	25,814
Commission on Children & Youth	155,824	7,979	228,413	-	-	-	80,568	80,568
Total Component Units	\$ 2,039,674	\$ 491,830	\$ 1,662,340	\$ -	8,114	25,814	80,568	114,496
General Revenues								
Unrestricted investment earnings					27,772	12,848	-	40,620
Total General Revenues					27,772	12,848	-	40,620
Change in net assets					35,886	38,662	80,568	155,116
Net assets, beginning of year					4,019,763	713,345	64,601	4,797,709
Net assets, end of year					\$ 4,055,649	\$ 752,007	\$ 145,169	\$ 4,952,825

See accompanying notes to the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS

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WALTON COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Walton County, Georgia (the "County") was chartered by an act of the General Assembly of the State of Georgia. The County operates under a County Commission form of government and provides the following services as authorized by state law: general administrative services, public safety, roads and bridges, courts and health and welfare. The County also operates three enterprise funds, emergency medical services, water and sewer, and solid waste.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the probate court, the superior court, the magistrate court, the juvenile court, the tax commissioner, the sheriff, and planning and zoning.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

Blended component unit:

Walton County Water and Sewer Authority – The Authority exists to acquire, construct and finance a water and sewerage system to provide services to individuals, public and private corporations and municipal corporations. The governing board of the Authority consists of seven members, all appointed by the Board of Commissioners who also ratify decisions of the Authority. The Authority is reported as an enterprise fund.

Discretely presented component units:

Walton County Development Authority – The Authority exists for the purpose of promoting and developing for the public good and general welfare, industry and trade, trade commerce and employment opportunity in the County. The County makes all appointments to the Board.

Additionally, the County is financially liable for the mortgage indebtedness of the Authority in case of default. The Authority does not issue separate component unit financial statements. During 2009, the County provided \$200,000 to the Authority.

Walton County Health Department – This agency, created in 1964 by state legislation, offers immunizations and other direct health service to citizens of Walton County as well as family planning and other preventive types of services. While a local board is appointed to oversee the operations of this agency, it is a state dependent agency. The State of Georgia contributes significant funding to this agency and exercises control over salaries and other expenditures. During 2009, the County provided \$427,789 to the Health Department.

Walton County Commission on Children and Youth – The Commission provides counseling and care services for children and youth around the county. This commission is funded by donations and grants from various sources. The County appoints a voting majority of the Commission's governing body and can impose its will on the Commission. The Commission does not issue separate component unit financial statements. During 2009, the County provided \$58,430 to the Commission.

Complete financial statements of the Walton County Health Department can be obtained directly from their administrative office as follows:

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

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

Government-wide Financial Statements – The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information on all of the nonfiduciary activities of the primary government and its component units. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and County's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements – During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns.

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

Fund Accounting – The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds – Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.

The SPLOST 2007 Capital Project Funds – The capital project funds collect sale taxes and uses these revenues to complete various budgeted roads, streets, and bridges projects, recreation projects, and economic development projects.

The Debt Service Fund – The debt service fund collects sales taxes and uses these revenues to retire the County's outstanding general obligation debt.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The proprietary funds are classified as enterprise funds. The County's three enterprise funds are reported as major funds. The following describes the County's enterprise funds:

The Emergency Medical Services Fund – This fund is used to account for the operation and maintenance of the County's ambulance service.

The Water and Sewer Fund – This fund is used to account for the operations and maintenance of the County's water and sewer system.

The Solid Waste Fund – This fund is used to account for the County's landfill, disposal sites and recycling center.

Internal Service Funds – These funds account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The County uses internal service funds to account for employee healthcare and workers' compensation.

Agency Funds – These funds are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

1-C. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Agency funds use the accrual basis of accounting to recognize assets and liabilities.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

Revenues – Non-exchange Transactions – Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

Deferred/Unearned Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenues are reclassified as “*unearned revenue*” on the government-wide statement of net assets.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Prepaid Items

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

1-E-5 Inventories

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

1-E-6 Restricted Assets

These assets are reported in the Water & Sewer, SPLOST 2007 and debt service funds and relate to assets set aside for capital improvements and revenue bond retirement.

WALTON COUNTY, GEORGIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

1-E-7 Capital Assets

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise funds' statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized. Interest capitalized during the year ended June 30, 2009 was \$2,165,854.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Infrastructure	30
Building & Improvements	20-50
Machinery and equipment	5-12
Vehicles	5
Furniture & Fixtures	10

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

Sick leave benefits are not vested.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only “*when due*.”

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. General obligation bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-10 Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

1-E-11 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of

WALTON COUNTY, GEORGIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

Net Assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

1-E-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water, solid waste, the forum, recycling and the workers' compensation programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. Investment earnings are classified as nonoperating revenues. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

WALTON COUNTY, GEORGIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

1-E-15 Estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary Information

The County adopts an annual operating budget for the general fund, each special revenue fund and the debt service fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The general fund budget is adopted on a basis consistent with GAAP except that the occurrence of capital lease obligations and the related capital lease expenditures are not budgeted. Budgets for the special revenue funds are adopted on a basis consistent with GAAP. Budgets for capital projects funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the County Commission.

The Finance Officer may approve budget transfers within departments, excluding human resources. The County Commission must approve transfers between departments. During the year, the County Commission authorized amendments to include appropriations for some activities that were not originally budgeted and to reclassify certain functional expenditures.

All unexpended annual appropriations lapse at year-end.

2-B. Excess of Expenditures over Appropriations

There were no expenditures in excess of appropriations for 2009.

2-C. Deficit Fund Equities

The following funds had a deficit in net assets or fund balance at June 30, 2009:

Workers Compensation	\$	403,821
Health Benefits		179,728
System of Care Grant		106,179

WALTON COUNTY, GEORGIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

Deficits in the internal service funds will be eliminated through increased charges to the other funds. Other deficits will be eliminated through transfers from the general fund.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

3-A. Deposits and Investments

The custodial credit risk of deposits is the risk that in the event of a failure of a bank, the government will not be able to recover deposits. State statutes require deposits of public funds to be insured or collateralized at a rate of not less than 110 of the bank balance. At June 30, 2009, the pledged collateral was as required.

The County has \$99,074,188 invested in Georgia Fund I (the local government investment pool). Georgia Fund I, 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 I 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. The County has no investment policy that would further limit its investment choices. Investments are carried at fair value. Unrealized gain is recognized as income. Amounts invested in Georgia Fund I at June 30, 2009 have been reported as cash and cash equivalents.

As of June 30, 2009, the County had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			Rating ⁽¹⁾	
		Less Than 1	1-5	6-10		More Than 10
Local Government Investment Pool	\$ 99,074,188	\$ 99,074,188	\$ -	\$ -	\$ -	AAAM
Certificate of Deposit	2,165,888	2,165,888	-	-	-	N/A
U.S. Treasury	254,173	254,173	-	-	-	N/A
	<u>\$101,494,249</u>	<u>\$101,494,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

(1) – Standard & Poors

Interest rate risk. Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

WALTON COUNTY, GEORGIA
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(CONTINUED)

Credit risk. State statutes authorize the government to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions.

Concentration of credit risk. The County places no limit on the amount the County may invest in any one issuer. At June 30, 2009 all of the County's investments are in U.S. Treasury and Government agency funds and the Local Government Investment Pool. At June 30, 2009 the ratings of its investments are shown above.

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

3-B. Receivables

Receivables at June 30, 2009, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

The allowance for uncollectibles in the EMS and Water and Sewer funds were \$1,576,879 and \$224,181, respectively.

3-C. Property Taxes

The Board of Commissioners levied property taxes on August 25, 2008. Property taxes attach as an enforceable lien on property as of January 1. Property taxes were billed on October 20, 2008 and were payable within sixty days or December 20, 2008.

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

3-D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance 7/1/2008	Additions	Deductions	Transfers	Balance 6/30/2009
Governmental activities					
Nondepreciable capital assets:					
Land	\$ 16,862,239	\$ 1,961,951	\$ -	\$ -	\$ 18,824,190
Construction in progress	10,097,838	11,221,626	-	(19,086,316)	2,233,148
Historical artifacts	11,000	-	-	-	11,000
Other Assets	3,543,277	-	-	-	3,543,277
Total nondepreciable capital assets	30,514,354	13,183,577	-	(19,086,316)	24,611,615
Depreciable capital assets					
Buildings and improvements	50,054,597	-	-	7,726,954	57,781,551
Equipment, furniture and vehicles	18,679,274	676,743	(211,450)	9,856,791	29,001,358
Infrastructure	64,040,851	-	-	1,502,571	65,543,422
Total depreciable assets	132,774,722	676,743	(211,450)	19,086,316	152,326,331
Less accumulated depreciation					
Buildings and improvements	(11,155,601)	(1,485,744)	-	-	(12,641,345)
Equipment, furniture and vehicles	(13,550,223)	(1,401,342)	211,450	-	(14,740,115)
Infrastructure	(35,725,091)	(2,107,050)	-	-	(37,832,141)
Total accumulated depreciation	(60,430,915)	(4,994,136)	211,450	-	(65,213,601)
Total depreciable capital assets, net	72,343,807	(4,317,393)	-	19,086,316	87,112,730
Governmental activities capital assets, net	\$ 102,858,161	\$ 8,866,184	\$ -	\$ -	\$ 111,724,345

Governmental activities depreciation expense

General Government	\$ 728,647
Court System	37,470
Public Health and Welfare	4,656
Public Safety	1,297,473
Public Works	2,276,127
Recreation and Culture	635,556
Housing and Development	14,207
Total governmental activities depreciation expense	<u>\$ 4,994,136</u>

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

	Balance 7/1/2008	Additions	Deductions	Transfers	Balance 6/30/2009
Business-type activities:					
Nondepreciable capital assets:					
Land	\$ 470,170	\$ -	\$ -	\$ -	\$ 470,170
ROW and easements	106,047	-	-	-	106,047
Construction-in-progress	19,897,892	15,158,323	-	(565,896)	34,490,319
Total nondepreciable capital assets	<u>20,474,109</u>	<u>15,158,323</u>	<u>-</u>	<u>(565,896)</u>	<u>35,066,536</u>
Depreciable capital assets:					
Buildings and Improvements	876,502	19,963	-	-	896,465
Equipment, furniture and vehicles	1,654,648	127,154	(197,898)	-	1,583,904
Water system	33,546,837	92,628	-	565,896	34,205,361
Water system-contributed	21,103,968	-	-	-	21,103,968
Wells	47,225	-	-	-	47,225
System equipment	2,117,969	-	(30,290)	-	2,087,679
Total depreciable capital assets	<u>59,347,149</u>	<u>239,745</u>	<u>(228,188)</u>	<u>565,896</u>	<u>59,924,602</u>
Accumulated depreciation:					
Buildings and improvements	(434,584)	(39,701)	-	-	(474,285)
Equipment, furniture and vehicles	(1,242,418)	(140,053)	190,877	-	(1,191,594)
Water system	(7,243,814)	(1,191,418)	-	-	(8,435,232)
Water system-contributed	(2,859,511)	(472,996)	-	-	(3,332,507)
Wells	(18,202)	(1,049)	-	-	(19,251)
System equipment	(1,446,441)	(145,366)	30,290	-	(1,561,517)
Total accumulated depreciation	<u>(13,244,970)</u>	<u>(1,990,583)</u>	<u>221,167</u>	<u>-</u>	<u>(15,014,386)</u>
Total depreciable capital assets, net	<u>46,102,179</u>	<u>(1,750,838)</u>	<u>(7,021)</u>	<u>565,896</u>	<u>44,910,216</u>
Business-type activities capital assets, net	<u>\$ 66,576,288</u>	<u>\$ 13,407,485</u>	<u>\$ (7,021)</u>	<u>\$ -</u>	<u>\$ 79,976,752</u>

Business-type activities depreciation expense

Emergency Medical Services	\$ 99,273
Water and Sewer	1,853,420
Solid Waste	37,890
Total business-type activities depreciation expense	<u>\$ 1,990,583</u>

Total accumulated depreciation additions \$ 1,990,583

WALTON COUNTY, GEORGIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

3-E. Interfund Balances and Transfers

Interfund balances at June 30, 2009, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

Payable to	Payable from						Total
	General Fund	2007 SPLOST	Water & Sewer	EMS	Solid Waste	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 731,580	\$ 401,561	\$ -	\$ -	\$ 127,691	\$ 1,260,832
Workman Comp Fund	12,517	-	14,171	264	854	134	27,940
Nonmajor Governmental	33,088	-	-	-	-	3,296	36,384
	<u>\$ 45,605</u>	<u>\$ 731,580</u>	<u>\$ 415,732</u>	<u>\$ 264</u>	<u>\$ 854</u>	<u>\$ 131,121</u>	<u>\$ 1,325,156</u>

Interfund transfers for the fiscal year ended June 30, 2009, consisted of the following:

Transfer to:	Transfers from:			
	General fund	2007 SPLOST	Non-major Governmental	Total
General fund	\$ -	\$ -	\$ 160,996	\$ 160,996
Debt service	592,730	-	-	592,730
EMS	1,197,028	-	-	1,197,028
Water & Sewer	139	1,917,172	-	1,917,311
Nonmajor governmental	476,577	-	19,946	496,523
Solid Waste	615,501	-	-	615,501
Total	<u>\$ 2,881,975</u>	<u>\$ 1,917,172</u>	<u>\$ 180,942</u>	<u>\$ 4,980,089</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

WALTON COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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 (CONTINUED)

3-F. Long-Term Debt

Capital Leases – Effective July 1, 2006, the County entered into a capital lease agreement to lease all of the operating assets and liabilities of the Walton County Water Authority (a component unit). Under the terms of this agreement, the County will operate the facilities and make annual payments to the Authority in amounts equal to the Authority’s annual debt service requirements. Assets and liabilities were recorded in the Water and Sewer Fund at net book value which was estimated to be market value.

The respective capital lease payable and receivable in the Water and Sewer Fund and Authority have been eliminated for reporting the Authority as a blended component unit.

Contracts Payable – During 1998, the County agreed to share the costs with neighboring governments of upgrading the capacity of the reservoir. The agreement provided for monthly principal payments varying from \$1,016 to \$3,032 through 2020. Interest is due monthly at a rate of 5.5%.

During 2005, the County agreed to share costs of necessary water line installations with neighboring governments. The agreement provided for annual principal payments varying from \$5,171 to \$19,888 through 2020. Interest is due annually at a rate of 6.0%.

As discussed in Note 4-C, the County is contractually obligated to the purchase of the Four County Industrial Site. The \$3,375,000 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 2021 at a variable interest rate.

The annual requirements to amortize the contracts payable debt as of June 30, 2009, using a rate of 5.20% for the variable rate contracts are as follows:

Year	Principal	Interest	Total
2010	\$ 191,066	\$ 157,436	\$ 348,502
2011	193,366	147,110	340,476
2012	195,797	136,654	332,451
2013	235,865	124,889	360,754
2014	238,578	115,354	353,932
2015-2019	1,351,784	389,133	1,740,917
2020-2021	627,283	46,524	673,807
	\$ 3,033,739	\$ 1,117,100	\$ 4,150,839

General Obligation Bonds – In 2007, the County issued \$58,915,000 Series 2007 General Obligation Sales Tax Bonds. The bonds carry interest rates ranging from 4.0% to 5.0% and will be repaid in principal installments which began in January 2008. The bonds will be repaid from the proceeds received from the imposition of a 1% sales and use tax which began in January 2007. The proceeds of the issue were designated for certain road, bridge and culvert improvements, parks and recreation improvements,

WALTON COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (CONTINUED)

public safety upgrades and improvements, senior citizen center upgrades, water and sewer improvements and solid waste improvements.

The annual requirements to amortize the Series 2007 bonds payable is as follows:

Year	Principal	Interest	Total
2010	\$ 9,500,000	\$ 2,280,750	\$ 11,780,750
2011	11,250,000	1,825,750	13,075,750
2012	12,250,000	1,278,250	13,528,250
2013	13,915,000	680,750	14,595,750
	<u>\$ 46,915,000</u>	<u>\$ 6,065,500</u>	<u>\$ 52,980,500</u>

Installment Sale 2005 – During fiscal year 2006, the County entered into an installment sale agreement to refinance the Certificates of Participation issued through 2004. Payments are payable in annual installments of principal in the amount of \$253,000 through February 1, 2010. Interest is payable annually on February 1 at a rate of 3.30%.

The annual requirements to amortize the installment sale as of June 30, 2009, were as follows:

Year	Principal	Interest	Total
2010	\$ 253,000	\$ 8,465	\$ 261,465
	<u>\$ 253,000</u>	<u>\$ 8,465</u>	<u>\$ 261,465</u>

Component Unit Long-term Debt – The Walton County Water and Sewer Authority has the following bond indentures outstanding as of June 30, 2009:

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

Series 1996 – Revenue bonds for acquisition of water system assets payable to the bondholders in the original amount of \$8,070,000 bearing an interest rate of 4.4% to 6%. Principal is payable each February through 2021 with accrued interest. The proceeds from the issue were designated for a partial refund of the 1989 Series Bonds, provide funds for future construction, prepay existing GEFA debt and set up necessary reserve accounts.

The revenue bonds have a lien on the net revenues generated by the water system of the Authority, and the bond ordinances require that the rates for water shall be set at an amount sufficient to pay all of the operating costs of the system, and to provide the amounts necessary to pay the bond principal and interest due each year and provide a

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

reserve fund which was fully funded at year end. The ordinance also requires the Authority to maintain rates to produce earnings at least 1.2 times the debt service requirements of its revenue bonds.

Series 2002 – Revenue bonds payable to the bondholders in the original amount of \$14,550,000 bearing an interest rate of 2.0% to 4.5%. Principal is payable each February and August through 2028 with accrued interest. The proceeds for the issue were designated for future construction of additions and extensions and improvement to the water related facilities.

Series 2008 – Revenue bonds, Walton Hard Labor Creek Reservoir Project, payable to bondholders in the original amount of \$40,990,000 bearing an interest rate of 4% to 4.5%. Principal is payable each February and August through 2038 with accrued interest. The proceeds of the issues were designated for construction of the Hard Labor Creek Reservoir.

Series 2008 – Revenue bonds, Oconee County Hard Labor Creek Reservoir Project, payable to bondholders in the original amount of \$19,535,000 bearing an interest rate of 3.5% to 5%. Principal is payable each February and August through 2038 with accrued interest. The proceeds of the issues were designated for construction of the Hard Labor Creek Reservoir.

WALTON COUNTY, GEORGIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

The annual requirements to amortize the revenue bonds are as follows:

Series 1989

Year	Principal	Interest	Total
2010	\$ -	\$ 2,063	\$ 2,063
2011	-	2,063	2,063
2012	-	2,063	2,063
2013	-	2,063	2,063
2014	-	2,063	2,063
2015	25,000	2,063	27,063
	<u>\$ 25,000</u>	<u>\$ 12,378</u>	<u>\$ 37,378</u>

Series 1996

Year	Principal	Interest	Total
2010	\$ 325,000	\$ 317,674	\$ 642,674
2011	340,000	299,474	639,474
2012	360,000	280,094	640,094
2013	380,000	258,944	638,944
2014	405,000	236,619	641,619
2015-2019	2,390,000	697,656	3,087,656
2020-2021	1,175,000	203,700	1,378,700
	<u>\$ 5,375,000</u>	<u>\$ 2,294,161</u>	<u>\$ 7,669,161</u>

Series 2002

Year	Principal	Interest	Total
2010	\$ 280,000	\$ 559,660	\$ 839,660
2011	290,000	550,910	840,910
2012	300,000	541,630	841,630
2013	315,000	531,730	846,730
2014	320,000	521,020	841,020
2015-2019	1,840,000	2,400,420	4,240,420
2020-2024	4,300,000	1,887,490	6,187,490
2025-2028	5,380,000	618,750	5,998,750
	<u>\$ 13,025,000</u>	<u>\$ 7,611,610</u>	<u>\$ 20,636,610</u>

WALTON COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (CONTINUED)

2008 WCWSA Reservoir Revenue Bonds

Year	Principal	Interest	Total
2010	\$ -	\$ 1,981,950	\$ 1,981,950
2011	-	1,981,950	1,981,950
2012	-	1,981,950	1,981,950
2013	-	1,981,950	1,981,950
2014	-	1,981,950	1,981,950
2015-2019	5,240,000	9,550,650	14,790,650
2020-2024	6,470,000	8,322,250	14,792,250
2025-2029	8,260,000	6,534,000	14,794,000
2030-2034	10,530,000	4,253,750	14,783,750
2035-2038	10,490,000	1,343,000	11,833,000
	<u>\$ 40,990,000</u>	<u>\$ 39,913,400</u>	<u>\$ 80,903,400</u>

2008 Oconee Reservoir Revenue Bonds

Year	Principal	Interest	Total
2010	\$ -	\$ 936,263	\$ 936,263
2011	-	936,263	936,263
2012	-	936,263	936,263
2013	-	936,263	936,263
2014	-	936,263	936,263
2015-2019	2,530,000	4,486,513	7,016,513
2020-2024	3,105,000	3,536,300	6,641,300
2025-2029	3,915,000	3,102,250	7,017,250
2030-2034	5,005,000	2,020,250	7,025,250
2035-2038	4,980,000	637,500	5,617,500
	<u>\$ 19,535,000</u>	<u>\$ 18,464,125</u>	<u>\$ 37,999,125</u>

Notes Payable – Notes payable at June 30, 2009 consist of the following:

GEFA – A construction loan payable to the Georgia Environmental Facilities Authority. The total original amount of the loan is \$1,221,695. The loan is payable in quarterly installments over 20 years at 4.8%, including capitalized interest of \$30,076.

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

The debt is financed by Newton County over a period of twenty years at an interest rate of 5.5%. Debt repayment commenced in December of 2000 at \$18,307 per month.

WALTON COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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 (CONTINUED)

During 2004, Newton County issued bonds to refinance the prior debt and to pay for certain capital improvements. The Authority's share of the debt issue was \$4,780,000. The debt is interest only for the first five years at approximately \$209,700 per year. Beginning in fiscal year 2011, principal payments commence with a total debt service of approximately \$450,000 per year.

Citimortgage – On June 30, 2006, the Authority borrowed \$4,500,000 to fund the purchase and installation of radio read water meters. This loan is at 4.195%. The loan calls for monthly principal and interest payments over a period of 10 years.

Debt service requirements for notes payable are as follows:

GEFA

Year	Principal	Interest	Total
2010	\$ 73,799	\$ 21,566	\$ 95,365
2011	77,405	17,960	95,365
2012	81,188	14,177	95,365
2013	85,156	10,210	95,365
2014	89,317	6,048	95,365
2015	69,841	1,683	71,524
	<u>\$ 476,706</u>	<u>\$ 71,643</u>	<u>\$ 548,350</u>

Newton County

Year	Principal	Interest	Total
2010	\$ 120,421	\$ 99,265	\$ 219,686
2011	127,213	92,472	219,685
2012	134,389	85,296	219,685
2013	141,970	77,716	219,685
2014	149,978	69,708	219,685
2015-2019	886,745	211,682	1,098,427
2020-2021	298,746	12,475	311,221
	<u>\$ 1,859,462</u>	<u>\$ 648,613</u>	<u>\$2,508,075</u>

WALTON COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (CONTINUED)

Newton County (Cornish Creek Expansion)

Year	Principal	Interest	Total
2010	\$ -	\$ 208,703	\$ 208,703
2011	240,000	208,703	448,703
2012	245,000	201,983	446,983
2013	255,000	192,183	447,183
2014	265,000	182,620	447,620
2015-2019	1,485,000	756,967	2,241,967
2020-2024	1,860,000	379,625	2,239,625
2025	430,000	18,275	448,275
	<u>\$ 4,780,000</u>	<u>\$ 2,149,059</u>	<u>\$ 6,929,059</u>

Citimortgage (Radio Meter Project)

Year	Principal	Interest	Total
2010	\$ 421,746	\$ 129,996	\$ 551,742
2011	439,783	111,960	551,742
2012	458,590	93,152	551,742
2013	478,203	73,540	551,742
2014	498,653	53,089	551,742
2015-2016	1,029,797	41,290	1,071,087
	<u>\$ 3,326,772</u>	<u>\$ 503,026</u>	<u>\$ 3,829,798</u>

WALTON COUNTY, GEORGIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

Changes in Long-term Debt – Changes in the County’s long-term obligations consisted of the following for the fiscal year ended June 30, 2009:

	Outstanding 7/1/2008	Additions	Reductions	Outstanding 6/30/2009	Amounts Due in One Year
Governmental Activities					
General obligation bonds - 2007	\$ 54,915,000	\$ -	\$ 8,000,000	\$ 46,915,000	\$ 9,500,000
Add deferred amounts					
Premium on bonds	1,832,579	-	558,778	1,273,801	478,975
Total general obligation bonds	56,747,579	-	8,558,778	48,188,801	9,978,975
Contracts payable	3,222,626	-	188,887	3,033,739	191,066
Installment sale	506,000	-	253,000	253,000	253,000
Claims payable	1,180,300	6,436,113	6,011,097	1,605,316	1,280,936
OPEB liability	-	66,308	30,875	35,433	-
Compensated absences	1,195,247	1,117,299	1,036,805	1,275,741	1,148,167
Total Governmental Activities	\$ 62,851,752	\$ 7,619,720	\$ 16,079,442	\$ 54,392,030	\$ 12,852,144
Business-Type Activities					
Revenue bonds - 1989	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -
Revenue bonds - 1996	5,680,000	-	305,000	5,375,000	325,000
Revenue bonds - 2002	13,300,000	-	275,000	13,025,000	280,000
Revenue bonds - 2008	40,990,000	-	-	40,990,000	-
Revenue bonds - 2008	19,535,000	-	-	19,535,000	-
Add deferred amounts:					
Unamortized premiums, net	1,743,551	-	80,965	1,662,586	-
Total revenue bonds	81,273,551	-	660,965	80,612,586	605,000
GEFA Notes	547,066	-	70,360	476,706	73,799
Newton County notes	1,973,453	-	113,991	1,859,462	120,421
Cornish Creek expansion	4,780,000	-	-	4,780,000	-
Water meter project note	3,694,949	-	368,177	3,326,772	421,746
Total notes payable	10,995,468	-	552,528	10,442,940	615,965
Compensated absences	270,760	172,100	179,570	263,290	156,480
Landfill post closure	57,470	-	5,747	51,723	5,747
Total Other	328,230	172,100	185,317	315,013	162,227
Total Business-type activities	\$ 92,597,249	\$ 172,100	\$ 1,398,810	\$ 91,370,539	\$ 1,383,192

The debt service fund is retiring the County’s general obligation bonds from sales taxes revenues. The capital lease obligations will be paid from the General Fund. The compensated absences liability will be paid from the fund from which the employees' salaries are paid, generally the General Fund. The OPEB liability is paid by the Health Benefits internal service fund, which charges the governmental funds based on employee participation in the fund, and the claims payable is paid by the County’s internal service funds, which will also charge the County’s other funds based on participation of the fund.

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

Landfill postclosure costs — Effective 1987, the Walton County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2009, the County has a remaining 9 years of monitoring. Engineering studies estimate postclosure costs of approximately \$51,723 over the nine year period. These costs are based on what it would cost to perform all postclosure care in 2009, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during the postclosure period, the costs and time period required for maintenance and monitoring functions may substantially increase.

3-G. Pensions

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 restriction 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.

The County participates in the Association of Government Commissioners of Georgia Pension Plan (ACCG Plan), an agent multiple-employer defined benefit pension plan, which covers all employees. The County Board of County Commissioners authorizes amendments, participation in the pension plan, establishes the pension benefits and sets the contribution rates. All full-time employees and part-time employees who work at least 20 hours per week for five months are eligible to participate in the ACCG Plan ("Plan") after completing two years of service. The employee is vested 50% after completing four years of service.

Participants become eligible to retire at age 65. Benefits vest after four years of service. Upon eligibility to retire, participants are entitled to a lifetime annual pension, with a 10 year guarantee equal to 1.0% of their compensation for each year of service plus .75% of that portion of compensation exceeding \$10,000 for each year of service. Compensation is averaged over a five year period prior to retirement or termination.

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 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 benefits in the event of death. The employee is vested 50% after completing four years of service and 100% after five years of service.

WALTON COUNTY, GEORGIA
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 (CONTINUED)

A copy of the plan's financial report may be obtained from:

Government Employee Benefits Corporation of Georgia
 1100 Circle 74 Parkway, Suite 300
 Atlanta, Georgia 30339

County employees are not required to contribute to the Plan. The County contributes the cost of the Plan using the actuarial basis described in the annual valuation report. The cost of administering the Plan is funded with earnings from investments.

The following information was determined as part of the actuarial valuation as of January 1, 2009. Additional information as of the latest actuarial valuation is as follows:

Valuation date	January 1, 2009
Actuarial Cost method	Projected Unit Credit
Asset Valuation method	Market Value
Amortization method	Level Percent of Pay(Closed)
Remaining amortization period	6 years
(This represents the estimated amortization period for all unfunded liabilities combined into one amortization base.)	
Actuarial Assumptions:	
Assumed rate of return on assets	7.75% per annum
Expected future salary increases	5.0% per annum
Cost of living adjustments	2.5% per annum
Inflation rate	3.00%

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

Annual Pension Cost and Net Pension Obligation (Asset):

Annual required contribution	\$ 1,002,312
Interest on net pension obligation	(29,452)
Amortization of net pension obligation	31,074
Annual pension cost	1,003,934
Contributions made	1,067,565
Increase in net pension obligation (asset)	(63,631)
Net pension obligation (asset) January, 1, 2008	(368,147)
Net pension obligation (asset) January, 1, 2009	\$ (431,778)

WALTON COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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 (CONTINUED)

Historical trend information is presented below:

Fiscal Year Beginning	Annual Pension Cost (APC)	County Contribution	Percentage of APC Contributed	Net Pension Obligation
January 1, 2008	\$ 1,003,934	\$ 1,067,565	106%	\$ (431,778)
January 1, 2007	803,171	871,410	108%	(368,147)
January 1, 2006	743,269	820,055	110%	(299,908)
January 1, 2005	719,019	811,514	113%	(223,122)
January 1, 2004	679,309	793,687	117%	(130,627)
January 1, 2003	155,729	155,657	100%	(16,249)

The following is a schedule of funding progress, using the actuarial cost method:

Actuarial Valuation Date	(a) Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded (a/b)	Unfunded AAL (UAAL) (b-a)	(c) Annual Covered Payroll	Percentage of covered payroll (b - a)/(c)
January 1, 2009	\$ 3,920,132	\$ 7,223,759	54.3%	\$ 3,303,627	\$19,834,984	16.7%

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

The above schedule of funding progress serves as a surrogate for the funding status and the funding progress of the plan. See required supplementary information for a history of funding progress.

Defined Contribution Pension Plan

The Walton County Money Purchase 401(a) Plan is a defined contribution plan established by the county and administered by CBIZ Benefits and Insurance in Maryland, with statements provided by GEBCorp. The Plan was established to provide benefits at retirement to Walton County employees. The County is required to contribute 2.0% of total covered payroll, and an additional 2.0% if an employee also contributes at least 2.0% to the 457(b) Deferred Compensation Plan. Employees are also required to contribute 2.0% to the plan.

Employees are eligible to join the plan after one year of full time service. Participants are then fully in the County's contributions after five years of service. They are fully vested immediately in their contributions to the plan. Total contributions for the fiscal year ended June 30, 2009 were \$1,714,954. The majority of original contributions consisted of member rollovers from the defined benefit pension plan, which was frozen on July 1,

WALTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

1998. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

Other Plans

In addition to the above pension plans, the following pension plans cover County employees but the County is not legally responsible for contributions to the pension plans. Other governmental entities are legally responsible for these contributions as well as required disclosures:

- (A) PROBATE JUDGES' RETIREMENT FUND OF GEORGIA:
The Probate Judge is covered under a pension plan, which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.
- (B) SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA:
The Clerk of Superior Court is covered under a pension plan, which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.
- (C) 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.
- (D) TEACHERS RETIREMENT SYSTEM OF GEORGIA:
The Walton County Agricultural Extension Service's eligible employees participate in the Teachers Retirement System of Georgia (TRS). At present, a contribution to their pension fund in the amount of \$9,511 is made by the General Fund.

3-H. Other Post Employment Benefits

Plan Description

Walton County sponsors the single-employer defined benefit Walton County Post-Retirement Medical Plan (the "Plan"). The Plan is administered and contributions and benefits may be amended by the County Board of Commissioners. The Plan provides medical and prescription drug coverage to all employees who retire from the County after 20 years of service and are between 62 and 65 years of age. As of July 1, 2008, the most recent actuarial valuation, there were 521 active participants and two inactive participants. Healthcare 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 \$30,875 were recognized for postretirement healthcare. These post employment benefits are

WALTON COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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 (CONTINUED)

financed on a pay-as-you-go basis and are not included as part of the County defined benefit pension plan. The plan does not issue a stand-alone financial report.

Eligibility

To be eligible for this benefit upon retirement, the employee must be between 62 and 65 years of age and have completed twenty years of service.

Retirement Options/Benefit Provisions

Eligible retirees are offered the same health and prescription drug coverage as active employees. The County pays 100% of the premium. Coverage expires upon attainment of age 65.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-retirement benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The County has implemented GASB 45 on a prospective basis.

The schedule of the County's cost and contributions follows:

Fiscal Year	Annual OPEB Cost	Actual County Contribution	Percentage of AOPEBC Contributed	Net OPEB Obligation End of Year
2009	\$ 66,308	\$ 30,875	46.6%	\$ 35,433

Components of Net OPEB Obligation:

Annual Required Contribution	\$ 66,308
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost	66,308
Contributions Made	(30,875)
Increase in Net OPEB Obligation	35,433
Net OPEB Obligation, beginning of year	-
Net OPEB Obligation, end of year	<u>\$ 35,433</u>

WALTON COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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 (CONTINUED)

As of the most recent valuation date, July 1, 2009, the funded status of OPEB Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(UAAL) Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/01/09	\$ -	\$ 407,300	\$ 407,300	0%	\$19,834,984	2.1%

See required supplementary information for a history of funding progress.

Actuarial Assumptions

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

Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value
Investment Rate of Return	7.0%
Healthcare Cost Trend Rate	8.0%
Ultimate Healthcare Trend Rate	5.0%
Year of Ultimate Trend Rate	2012
Amortization Method	Level Percent of Payroll (Open)
Remaining Amortization Period	30 years

NOTE 4 – OTHER NOTES

4-A. Risk Management

Health 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

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(CONTINUED)

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

	2009	2008
Unpaid claims, beginning of year	\$ 784,033	\$ 423,280
Incurred claims	6,044,605	4,785,907
Claim payments	(5,793,900)	(4,425,154)
Unpaid claims, end of year	<u>\$ 1,034,738</u>	<u>\$ 784,033</u>

Workers' Compensation

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. The County's plan is part of the Association County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A. 34-9-150 et. seq. and the Georgia Insurance Commissioner's Office. The members of ACCG-Group Self Insurance Workers' Compensation Fund are assessable if the losses that ACCG must pay exceed the assets of the pool. At June 30, 2009, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

The 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 two years are as follows:

	2009	2008
Unpaid claims, beginning of year	\$ 396,267	\$ 570,000
Incurred claims	391,508	88,538
Claim payments	(217,197)	(262,271)
Unpaid claims, end of year	<u>\$ 570,578</u>	<u>\$ 396,267</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 a reasonable estimate and includes an amount for claims incurred but not reported. The County is responsible for determining the contributions to the trusts, which is stabled 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.

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The County is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The following is a summary of insurance coverage at June 30, 2009.

Buildings and Personal Property	\$57,507,024	aggregate
Equipment	3,443,285	per occurrence
General Liability	1,000,000	per occurrence
Management Liability	1,000,000	per occurrence
Law Enforcement Liability	1,000,000	per occurrence
Crime Coverage	150,000	per occurrence
Automobile Liability	1,000,000	per occurrence

The County has no outstanding claims in excess of coverage for which a liability should be recorded as of June 30, 2009.

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

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at June 30, 2009. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4-C. Joint Ventures

Northeast Georgia Regional Development Center

Under Georgia law, the County, in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Northeast Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Membership dues totaled \$61,376 for the fiscal year. Separate financial statements of the NEGRDC may be obtained from:

Northeast Georgia Regional Development Center
 305 Research Drive
 Athens, GA 30605-2795

WALTON COUNTY, GEORGIA
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Four County Industrial Development Authority

During 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 and refinanced in January 2009 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 years. The asset is recorded at a value of \$3,543,277 and reported as other assets in non-depreciable capital assets.

Separate 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, Georgia 30650.

4-D. Conduit Debt Obligations

From time to time, the Development Authority of Walton County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying leases. Upon repayment on the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Authority, the County, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2009, the amount of Industrial Revenue Bonds issued on behalf of private-sector entities outstanding was \$51,250,000.

4-E. Intergovernmental Agreement

On May 31, 2007, the County executed an intergovernmental agreement with Oconee County, Georgia for the construction and operation of the Hard Labor Creek Reservoir project. Under terms of the agreement Walton County will have a 71.2% share of the project leaving 28.8% share to Oconee County. The total estimated amount of the project is \$353 million with costs being split based on ownership percentages. The project is to be completed in three phases. Walton County will issue general obligation bonds to fund its portion of the project. As of June 30, 2009 bonds totaling \$60,525,000 have been issued in association with the project (See Note 3-F). The agreement runs through May 2057.

REQUIRED SUPPLEMENTARY INFORMATION

WALTON COUNTY, GEORGIA

SCHEDULE OF PENSION FUNDING PROGRESS
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2009
 UNAUDITED

Actuarial Valuation Date January 1,	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Percentage Funded (a / b)	Unfunded AAL (UAAL) (b - a)	(c) Annual Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
2008	\$ 3,920,132	\$ 7,223,759	54.3%	3,303,627	\$ 19,834,984	16.7%
2007	3,114,743	6,070,875	51.3%	2,956,132	15,760,201	18.8%
2006	2,457,758	5,272,700	46.6%	2,814,942	15,237,832	18.5%
2005	2,380,496	5,434,321	43.8%	3,053,825	15,283,997	20.0%
2004	2,387,453	5,727,550	41.7%	3,340,097	13,897,790	24.0%
2003	1,833,075	2,649,403	69.2%	816,328	1,124,947	72.6%

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the actuarial accrued liability provides an indication of funding 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 this 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.

See assumptions used for the schedule of Funding Progress in Note 3-G to the financial statements.

WALTON COUNTY, GEORGIA

SCHEDULE OF OPEB FUNDING PROGRESS
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2009
 UNAUDITED

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Percentage Funded (a / b)	Unfunded AAL (UAAL) (b - a)	(c) Annual Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
July 1, 2009	\$ -	\$ 407,300	0.0%	407,300	\$ 19,834,984	2.1%

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the actuarial accrued liability provides an indication of funding 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 this 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 the percentage, the stronger the plan.

See assumptions used for the schedule of Funding Progress in Note 3-H to the financial statements.

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WALTON COUNTY, GEORGIA

GENERAL FUND
 SCHEDULE OF REVENUE, EXPENITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 37,675,449	\$ 36,627,338	\$ 36,188,793	\$ (438,545)
Intergovernmental	242,594	1,797,230	1,729,937	(67,293)
Licenses and permits	580,428	412,494	253,225	(159,269)
Fines and forfeitures	1,727,017	1,959,772	1,789,150	(170,622)
Charges for services	3,850,654	4,166,503	3,888,257	(278,246)
Interest earnings	906,570	277,200	258,605	(18,595)
Miscellaneous	188,970	298,284	268,142	(30,142)
Total Revenues	45,171,682	45,538,821	44,376,109	(1,162,712)
Expenditures				
Current:				
General government:				
Board of commissioners	242,387	207,410	184,189	23,221
County clerk	115,784	115,784	90,153	25,631
Chairman	137,289	136,745	131,710	5,035
Tax commissioner	731,283	762,910	762,511	399
Tax assessors	1,000,332	968,705	846,426	122,279
Elections	585,793	585,793	472,581	113,212
Financial administration	266,737	378,745	355,210	23,535
Accounting	310,588	312,880	312,880	-
Purchasing	85,548	85,548	76,513	9,035
Law	300,000	334,978	334,978	-
Data Processing	475,698	475,698	412,874	62,824
Human resources	376,954	376,954	302,895	74,059
Board of Equalization	42,621	42,621	27,103	15,518
Risk management	843,993	843,993	623,556	220,437
General government buildings	2,322,147	2,322,147	2,030,098	292,049
RDC & ACCG fees	100,509	100,509	84,305	16,204
Customer Service	26,146	26,713	26,713	-
	7,963,809	8,078,133	7,074,695	1,003,438
Judicial				
Superior court	826,997	812,744	576,896	235,848
Clerk of Superior Court	1,021,255	1,019,983	952,129	67,854
District Attorney	685,012	709,402	709,276	126
Probate court	613,580	613,581	606,032	7,549
Magistrate court	415,682	415,681	377,739	37,942
Juvenile court	683,866	712,761	712,761	-
Public Defender	497,111	497,111	453,031	44,080
	4,743,503	4,781,263	4,387,864	393,399

WALTON COUNTY, GEORGIA

GENERAL FUND
 SCHEDULE OF REVENUE, EXPENITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
Public safety				
Sheriff's office	1,369,500	1,429,670	1,270,245	159,425
Law Enforcement Administration	906,818	900,818	858,728	42,090
Criminal Investigation	964,406	1,001,424	1,001,424	-
Uniform Patrol	2,660,489	2,628,059	2,627,213	846
Youth Investigation	431,515	410,161	408,886	1,275
Jail operations	5,624,403	5,740,257	5,722,795	17,462
Court Services	1,320,870	1,320,870	1,242,835	78,035
Fire Administration	232,153	236,653	231,754	4,899
Fire Fighting	3,451,415	3,446,915	3,227,026	219,889
Fire Training	39,815	39,815	13,974	25,841
Fire Stations & Buildings	175,867	175,867	126,847	49,020
Coroner	112,968	112,968	68,242	44,726
Animal Control	448,633	448,633	420,849	27,784
Emergency Management	97,093	101,168	92,343	8,825
	<u>17,835,945</u>	<u>17,993,278</u>	<u>17,313,161</u>	<u>680,117</u>
Public works				
Highways and Streets Administration	216,134	216,134	184,154	31,980
Roadways and Walkways	4,109,551	4,945,402	4,324,650	620,752
Unpaved Streets	625,561	625,561	378,757	246,804
Bridges & Viaducts	250,000	250,000	-	250,000
Other Maintenance	20,000	20,000	-	20,000
Street Lighting	450,000	486,512	486,512	-
Traffic Engineering	581,304	581,304	362,440	218,864
Maintenance and Shop	478,112	480,312	420,516	59,796
Storm Water	233,772	233,772	98,472	135,300
	<u>6,964,434</u>	<u>7,838,997</u>	<u>6,255,501</u>	<u>1,583,496</u>
Health and welfare				
Health Centers and Clinics	526,015	526,015	516,815	9,200
Aid to Dependent Children	101,865	101,865	101,865	-
Pauper Burial Costs	30,000	30,000	13,500	16,500
Walton County Senior Citizens, Inc.	189,938	189,938	189,938	-
Alcove, Inc. (Shelter)	20,000	20,000	20,000	-
	<u>867,818</u>	<u>867,818</u>	<u>842,118</u>	<u>25,700</u>
Culture and Recreation				
Recreation Programs	1,070,108	1,240,794	1,240,301	493
Park Areas	1,674,662	1,660,053	1,655,557	4,496
Library	278,100	337,196	337,196	-
	<u>3,022,870</u>	<u>3,238,043</u>	<u>3,233,054</u>	<u>4,989</u>

WALTON COUNTY, GEORGIA

GENERAL FUND
 SCHEDULE OF REVENUE, EXPENITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
Housing and Development				
Conservation Administration	14,762	14,762	14,761	1
USDA Natural Resource Conservation Service	55,504	55,504	48,707	6,797
County Extension Service	116,895	116,895	101,942	14,953
Forest Resources	39,998	39,998	15,418	24,580
Protective Inspection Administration	442,875	442,875	359,500	83,375
Planning and Zoning	571,832	575,132	512,345	62,787
Walton County Planning Commission	4,200	4,200	4,146	54
Walton County Board of Appeals	4,200	4,200	4,200	-
Code Enforcement	125,058	125,058	119,263	5,795
Economic Development	222,931	222,931	222,931	-
Action Inc.	8,323	8,323	8,323	-
	<u>1,606,578</u>	<u>1,609,878</u>	<u>1,411,536</u>	<u>198,342</u>
 Total Expenditures	 <u>43,004,957</u>	 <u>44,407,410</u>	 <u>40,517,929</u>	 <u>3,889,481</u>
 Excess Revenue Over (Under) Expenditures	 <u>2,166,725</u>	 <u>1,131,411</u>	 <u>3,858,180</u>	 <u>2,726,769</u>
 Other Financing Sources (Uses)				
Transfers in	647,679	340,644	160,996	(179,648)
Transfers out	(3,467,409)	(3,126,338)	(2,881,975)	244,363
	<u>(2,819,730)</u>	<u>(2,785,694)</u>	<u>(2,720,979)</u>	<u>64,715</u>
 Total Other Financing Sources (Uses)	 <u>(2,819,730)</u>	 <u>(2,785,694)</u>	 <u>(2,720,979)</u>	 <u>64,715</u>
 Net Change in Fund Balances	 <u>\$ (653,005)</u>	 <u>\$ (1,654,283)</u>	 1,137,201	 <u>\$ 2,791,484</u>
 Fund Balances, Beginning of Year			 <u>20,329,550</u>	
 Fund Balances, End of Year			 <u>\$ 21,466,751</u>	

WALTON COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

	Special Revenue Funds										
	Forfeited Drug Seizure	Inmate Phone	E911	Clerk's Authority	Juvenile Supplemental Services	Multiple Grant	System of Care Grant	Drug Abuse Treatment Education	DARE Program		
Assets											
Cash and cash equivalents	\$ 45,659	\$ 100,707	\$ -	\$ 106,227	\$ 265,094	\$ 256	\$ -	\$ 139,626	\$ 13,314		
Receivables	-	-	129,581	-	16,004	70,410	106,179	971	-		
Prepayments	-	-	3,001	-	-	12	-	-	-		
Due from other funds	-	-	-	-	-	3,296	-	-	-		
Total Assets	\$ 45,659	\$ 100,707	\$ 132,582	\$ 106,227	\$ 281,098	\$ 73,974	\$ 106,179	\$ 140,597	\$ 13,314		
Liabilities and Fund Balances											
Liabilities											
Accounts payable	\$ 269	\$ -	\$ 26,324	\$ -	\$ 450	\$ 27,992	\$ 28,931	\$ 5,652	\$ -		
Accrued liabilities	-	-	22,533	-	-	2,914	1,812	-	-		
Due to other funds	-	-	73	-	-	33,450	75,436	-	-		
Due to component unit	-	-	-	-	-	9,618	-	-	-		
Deferred revenue	-	-	-	-	-	-	106,179	-	-		
Total Liabilities	269	-	48,930	-	450	73,974	212,358	5,652	-		
Fund Balances											
Reserved for capital projects	-	-	-	-	-	-	-	-	-		
Reserved for prepaids	-	-	3,001	-	-	12	-	-	-		
Unreserved, undesignated	45,390	100,707	80,651	106,227	280,648	(12)	(106,179)	134,945	13,314		
Total Fund Balances	45,390	100,707	83,652	106,227	280,648	-	(106,179)	134,945	13,314		
Total Liabilities and Fund Balances	\$ 45,659	\$ 100,707	\$ 132,582	\$ 106,227	\$ 281,098	\$ 73,974	\$ 106,179	\$ 140,597	\$ 13,314		

WALTON COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009
 (CONTINUED)

	Special Revenue Funds						Capital Project Funds					Total Nonmajor Governmental
	Crime	Victim's Assistance	Seized Drug	Inmate Commissary	DA Forfeiture	Forfeited Federal Drug Revenue	Total Special Revenue	Capital Projects	2001 SPLOST	Impact Fees	Total Capital Projects	
Assets												
Cash and cash equivalents	\$ 268,239	\$ 46,775	\$ 165,385	\$ 146,872	\$ 1,304	\$ 1,345,871	\$ -	\$ -	\$ 855,145	\$ 2,799,474	\$ 4,145,345	
Receivables	-	-	-	-	-	323,145	-	-	-	-	323,145	
Prepayments	-	-	-	-	-	3,013	-	-	-	-	3,013	
Due from other funds	-	-	29,416	-	-	32,712	-	-	3,672	3,672	36,384	
Total Assets	\$ 268,239	\$ 46,775	\$ 194,801	\$ 146,872	\$ 1,304	\$ 1,704,741	\$ -	\$ -	\$ 858,817	\$ 2,803,146	\$ 4,507,887	
Liabilities and Fund Balances												
Liabilities												
Accounts payable	\$ 252	\$ 46,426	\$ 9,628	\$ 718	\$ -	\$ 146,642	\$ -	\$ 30,525	\$ -	\$ 30,525	\$ 177,167	
Accrued liabilities	1,838	-	-	-	-	29,097	-	-	-	-	29,097	
Due to other funds	3,378	-	-	-	-	112,337	-	18,784	-	18,784	131,121	
Due to component unit	-	-	-	-	-	9,618	-	-	-	-	9,618	
Deferred revenue	-	-	-	-	-	106,179	-	-	-	-	106,179	
Total Liabilities	5,468	46,426	9,628	718	-	403,873	-	49,309	-	49,309	453,182	
Fund Balances												
Reserved for capital projects	-	-	-	-	-	-	-	1,895,020	858,817	2,753,837	2,753,837	
Reserved for prepaids	-	-	-	-	-	3,013	-	-	-	-	3,013	
Unreserved, undesignated	262,771	349	185,173	146,154	1,304	1,297,855	-	-	-	-	1,297,855	
Total Fund Balances	262,771	349	185,173	146,154	1,304	1,300,868	-	1,895,020	858,817	2,753,837	4,054,705	
Total Liabilities and Fund Balances	\$ 268,239	\$ 46,775	\$ 194,801	\$ 146,872	\$ 1,304	\$ 1,704,741	\$ -	\$ -	\$ 858,817	\$ 2,803,146	\$ 4,507,887	

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds										
	Law Library	Forfeited Drug Seizure	Inmate Phone	E911	Clerk's Authority	Juvenile Supplemental Services	Multiple Grant	System of Care Grant	Drug Abuse Treatment Education	DARE Program	
Revenues											
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	72,605	56,956	-	-	-	56,486	-	-	53,577	-	-
Charges for services	-	-	87,259	1,287,412	-	-	-	-	-	-	-
Interest income	50	498	1,437	-	696	1,682	6	-	860	5	-
Intergovernmental	-	-	-	-	10,992	-	192,031	8,924	-	-	-
Donations	-	-	-	-	-	-	91,900	-	-	11,853	-
Other	-	-	-	1,567	-	-	144	-	-	-	-
Total Revenues	72,655	57,454	88,696	1,288,979	11,688	58,168	284,081	8,924	54,437	11,858	
Expenditures											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	43,730	-	1,414,503	-	-	61,606	-	-	13,677	-
Court system	76,997	-	-	-	-	13,186	119,313	9,167	-	-	-
Health and welfare	-	-	-	-	-	-	247,160	103,638	37,100	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-	2,298	-	-	-
Capital Outlay	-	-	-	17,194	-	-	-	-	-	-	-
Total Expenditures	76,997	43,730	88,696	1,431,697	-	13,186	428,079	115,103	37,100	13,677	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,342)	13,724	88,696	(142,718)	11,688	44,982	(143,998)	(106,179)	17,337	(1,819)	
Other Financing Sources (Uses)											
Transfers in	-	-	9,536	151,419	-	-	152,804	-	-	-	-
Transfers out	-	(1,324)	(89,280)	-	(5,673)	-	(9,787)	-	-	-	-
Total Other Financing Sources (Uses)	-	(1,324)	(79,744)	151,419	(5,673)	-	143,017	-	-	-	
Net Change in Fund Balances	(4,342)	12,400	8,952	8,701	6,015	44,982	(981)	(106,179)	17,337	(1,819)	
Fund Balances, Beginning of Year	49,732	34,013	91,755	74,951	100,212	235,666	981	-	117,608	15,133	
Fund Balances, End of Year	\$ 45,390	\$ 46,413	\$ 100,707	\$ 83,652	\$ 106,227	\$ 280,648	\$ -	\$ (106,179)	\$ 134,945	\$ 13,314	

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009
 (CONTINUED)

	Special Revenue Funds							Capital Project Funds				Total Nonmajor Governmental	
	Crime Victim's Assistance	Seized Drug	Inmate Commissary	DA Forfeiture	Forfeited Federal Drug	Special Revenue	Total Special Revenue	Capital Projects	2001 SPLOST	Impact Fees	Total Capital Projects		
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,367	\$ 90,367	\$ -	\$ 90,367	\$ 90,367
Licenses and permits	-	-	-	15,689	-	255,313	255,313	-	-	-	-	-	255,313
Fines and forfeitures	-	-	39,936	-	-	1,414,607	1,414,607	-	-	-	-	-	1,414,607
Charges for services	3,411	-	3,070	2,106	-	13,821	13,821	-	32,844	6,107	38,951	38,951	52,772
Interest income	95,450	-	-	-	-	307,397	307,397	-	-	-	-	-	307,397
Intergovernmental	-	-	-	-	-	103,753	103,753	-	-	-	-	-	103,753
Donations	-	-	32,764	1,263	-	35,738	35,738	-	-	-	-	-	35,738
Other	-	-	75,770	19,058	-	2,130,629	2,130,629	-	32,844	96,474	129,318	129,318	2,259,947
Total Revenues	98,861	-	75,770	19,058	-	2,130,629	2,130,629	-	32,844	96,474	129,318	129,318	2,259,947
Expenditures													
Current:													
General government	-	-	-	-	-	-	-	-	447,169	-	447,169	447,169	447,169
Public safety	-	-	38,769	-	20	1,572,305	1,572,305	-	69,025	-	69,025	69,025	1,641,330
Court system	92,500	-	-	40,408	-	351,571	351,571	-	-	-	-	-	351,571
Health and welfare	-	-	-	-	-	387,898	387,898	-	-	-	-	-	387,898
Culture and recreation	-	-	-	-	-	-	-	9,983	-	67,004	76,987	76,987	76,987
Housing and development	-	-	-	-	-	2,298	2,298	-	-	-	-	-	2,298
Capital Outlay	-	-	-	-	-	17,194	17,194	145,240	98,167	2,690	246,097	246,097	263,291
Total Expenditures	92,500	-	38,769	40,408	20	2,331,266	2,331,266	155,223	614,361	69,694	839,278	839,278	3,170,544
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,361	-	37,001	(21,350)	(20)	(200,637)	(200,637)	(155,223)	(581,517)	26,780	(709,960)	(709,960)	(910,597)
Other Financing Sources (Uses)													
Transfers in	26,217	-	-	-	1,324	341,300	341,300	155,223	-	-	155,223	155,223	496,523
Transfers out	(9,085)	-	(15,129)	(13,475)	-	(143,753)	(143,753)	-	(37,189)	(37,189)	(37,189)	(37,189)	(180,942)
Total Other Financing Sources (Uses)	17,132	-	(15,129)	(13,475)	1,324	197,547	197,547	155,223	-	(37,189)	118,034	118,034	315,581
Net Change in Fund Balances	23,493	-	21,872	(34,825)	1,304	(3,090)	(3,090)	-	(581,517)	(10,409)	(591,926)	(591,926)	(595,016)
Fund Balances, Beginning of Year	239,278	349	163,301	180,979	-	1,303,958	1,303,958	-	2,476,537	869,226	3,345,763	3,345,763	4,649,721
Fund Balances, End of Year	\$ 262,771	\$ 349	\$ 185,173	\$ 146,154	\$ 1,304	\$ 1,300,868	\$ 1,300,868	\$ -	\$ 1,895,020	\$ 858,817	\$ 2,753,837	\$ 2,753,837	\$ 4,054,705

WALTON COUNTY, GEORGIA

DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Sales taxes	\$ 10,476,060	\$ 10,476,060	\$ 8,605,372	\$ (1,870,688)
Interest earnings	184,690	184,690	102,466	(82,224)
Total Revenues	10,660,750	10,660,750	8,707,838	(1,952,912)
<u>Expenditures:</u>				
Debt service:				
Principal retirement	8,622,536	8,622,536	8,441,887	180,649
Interest and fiscal charges	2,875,307	2,875,307	2,797,490	77,817
Total Expenditures	11,497,843	11,497,843	11,239,377	258,466
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(837,093)	(837,093)	(2,531,539)	(1,694,446)
<u>Other Financing Sources:</u>				
Transfer in	837,093	837,093	592,730	(244,363)
Total other financing sources	837,093	837,093	592,730	(244,363)
Net change in fund balance	\$ -	\$ -	(1,938,809)	\$ (1,938,809)
Fund Balance, beginning of year			8,903,723	
Fund Balance, end of year			\$ 6,964,914	

WALTON COUNTY, GEORGIA

LAW LIBRARY
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Fines and forfeitures	\$ 55,976	\$ 76,808	\$ 72,605	\$ (4,203)
Interest earnings	190	190	50	(140)
Total Revenues	56,166	76,998	72,655	(4,343)
<u>Expenditures:</u>				
Current:				
Court system	56,166	76,998	76,997	1
Total Expenditures	56,166	76,998	76,997	1
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(4,342)	<u>\$ (4,342)</u>
Fund Balance, beginning of year			<u>49,732</u>	
Fund Balance, end of year			<u>\$ 45,390</u>	

WALTON COUNTY, GEORGIA

FORFEITED DRUG SEIZURE
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$ -	\$ 56,956	\$ 56,956	\$ -
Interest	1,230	498	498	-
Intergovernmental	32,043	-	-	-
Total Revenues	33,273	57,454	57,454	-
<u>Expenditures:</u>				
Current:				
Public Safety	33,273	56,131	43,730	12,401
Total Expenditures	33,273	56,131	43,730	12,401
<u>Other Financing (Uses)</u>				
Transfers out	-	(1,324)	(1,324)	-
Total Other Financing Uses	-	(1,324)	(1,324)	-
Net change in fund balance	\$ -	\$ (1)	12,400	\$ 12,401
Fund Balance, beginning of year			34,013	
Fund Balance, end of year			\$ 46,413	

WALTON COUNTY, GEORGIA

INMATE PHONE
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 18,462	\$ 87,259	\$ 87,259	\$ -
Interest	3,014	1,437	1,437	-
Total Revenues	21,476	88,696	88,696	-
<u>Expenditures:</u>				
Current:				
Public Safety	21,476	8,952	-	8,952
Total Expenditures	21,476	8,952	-	8,952
<u>Other Financing Sources (Uses):</u>				
Transfers in	-	9,536	9,536	-
Transfers out	-	(89,280)	(89,280)	-
Total Other Financing Sources (Uses)	-	(79,744)	(79,744)	-
Net change in fund balance	\$ -	\$ -	8,952	\$ 8,952
Fund Balance, beginning of year			91,755	
Fund Balance, end of year			\$ 100,707	

WALTON COUNTY, GEORGIA

EMERGENCY 911
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>Revenues:</u>				
Charges for services	\$ 1,384,131	\$ 1,500,536	\$ 1,214,796	\$ (285,740)
Rent	75,422	75,422	72,616	(2,806)
Other	-	1,567	1,567	-
Total Revenues	1,459,553	1,577,525	1,288,979	(288,546)
<u>Expenditures:</u>				
Current:				
Public safety	1,708,944	1,708,922	1,414,503	294,419
Capital Outlay	69,465	69,487	17,194	52,293
Total Expenditures	1,778,409	1,778,409	1,431,697	346,712
<u>Other Financing Sources</u>				
Transfers in	269,391	200,884	151,419	(49,465)
Total Other Financing Sources	269,391	200,884	151,419	(49,465)
Net change in fund balance	\$ (49,465)	\$ -	8,701	\$ 8,701
Fund Balance, beginning of year			74,951	
Fund Balance, end of year			\$ 83,652	

WALTON COUNTY, GEORGIA

CLERK'S AUTHORITY
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$ 8,976	\$ 10,992	\$ 10,992	\$ -
Interest earnings	3,286	1,270	696	(574)
Total Revenues	12,262	12,262	11,688	(574)
<u>Expenditures:</u>				
Current:				
Court system	12,262	6,589	-	6,589
Total Expenditures	12,262	6,589	-	6,589
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers out	-	(5,673)	(5,673)	-
Total Other Financing Sources (Uses)	-	(5,673)	(5,673)	-
Net change in fund balance	\$ -	\$ -	6,015	\$ 6,015
Fund Balance, beginning of year			100,212	
Fund Balance, end of year			\$ 106,227	

WALTON COUNTY, GEORGIA

JUVENILE SUPPLEMENTAL SERVICES
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 16,717	\$ 56,486	\$ 56,486	\$ -
Interest	4,355	1,682	1,682	-
Total Revenues	21,072	58,168	58,168	-
<u>Expenditures:</u>				
Current:				
Court system	21,072	58,168	13,186	44,982
Total Expenditures	21,072	58,168	13,186	44,982
Net change in fund balance	\$ -	\$ -	44,982	\$ 44,982
Fund Balance, beginning of year			235,666	
Fund Balance, end of year			\$ 280,648	

WALTON COUNTY, GEORGIA

MULTIPLE GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$ 388,288	\$ 476,688	\$ 192,031	\$ (284,657)
Donations	-	91,900	91,900	-
Interest	100	100	6	(94)
Other	-	-	144	144
Total Revenues	388,388	568,688	284,081	(284,607)
<u>Expenditures:</u>				
Current:				
Public Safety	60,531	65,195	61,606	3,589
Court System	118,253	119,313	119,313	-
Health and welfare	182,971	271,371	247,160	24,211
Total Expenditures	361,755	455,879	428,079	27,800
<u>Other Financing Sources (Uses):</u>				
Transfer in	132,971	193,875	152,804	(41,071)
Transfer out	(159,604)	(154,940)	(9,787)	145,153
Total Other Financing Sources (Uses)	(26,633)	38,935	143,017	104,082
Net change in fund balance	\$ -	\$ 151,744	(981)	\$ (152,725)
Fund Balance, beginning of year			981	
Fund Balance, end of year			\$ -	

WALTON COUNTY, GEORGIA

SYSTEM OF CARE GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$ 323,000	\$ 323,000	\$ 8,924	\$ (314,076)
Total Revenues	323,000	323,000	8,924	(314,076)
<u>Expenditures:</u>				
Current:				
Court System	58,750	58,750	9,167	49,583
Health and welfare	256,750	256,750	103,638	153,112
Housing and development	7,500	7,500	2,298	5,202
Total Expenditures	323,000	323,000	115,103	207,897
Net change in fund balance	\$ -	\$ -	(106,179)	\$ (106,179)
Fund Balance, beginning of year			-	
Fund Balance, end of year			\$ (106,179)	

WALTON COUNTY, GEORGIA

DRUG ABUSE TREATMENT & EDUCATION
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Fines and forfeitures	\$ 67,541	\$ 67,541	\$ 53,577	\$ (13,964)
Interest	2,800	2,800	860	(1,940)
Total Revenues	70,341	70,341	54,437	(15,904)
<u>Expenditures:</u>				
Current:				
Health and Welfare	70,341	70,341	37,100	33,241
Total Expenditures	70,341	70,341	37,100	33,241
Net change in fund balance	\$ -	\$ -	17,337	\$ 17,337
Fund Balance, beginning of year			117,608	
Fund Balance, end of year			\$ 134,945	

WALTON COUNTY, GEORGIA

DRUG ABUSE RESISTANCE EDUCATION
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Donations	\$ 1,100	\$ 13,671	\$ 11,853	\$ (1,818)
Interest	-	5	5	-
Total Revenues	1,100	13,676	11,858	(1,818)
<u>Expenditures:</u>				
Current:				
Public Safety	1,100	13,676	13,677	(1)
Total Expenditures	1,100	13,676	13,677	(1)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,819)	<u>\$ (1,819)</u>
Fund Balance, beginning of year			<u>15,133</u>	
Fund Balance, end of year			<u>\$ 13,314</u>	

WALTON COUNTY, GEORGIA

CRIME VICTIMS' ASSISTANCE
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$ 145,135	\$ 116,507	\$ 95,450	\$ (21,057)
Interest income	1,000	3,411	3,411	-
Total Revenues	146,135	119,918	98,861	(21,057)
<u>Expenditures:</u>				
Current:				
Court System	119,435	119,435	92,500	26,935
Total Expenditures	119,435	119,435	92,500	26,935
Excess (Deficit) of Revenues Over (Under) Expenditures	26,700	483	6,361	5,878
<u>Other Financing Sources (Uses):</u>				
Transfer in	-	26,217	26,217	-
Transfer out	(26,700)	(26,700)	(9,085)	17,615
Total Other Financing Uses	(26,700)	(483)	17,132	17,615
Net change in fund balance	\$ -	\$ -	23,493	\$ 23,493
Fund Balance, beginning of year			239,278	
Fund Balance, end of year			\$ 262,771	

WALTON COUNTY, GEORGIA

INMATE COMMISSARY
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 22,163	\$ 39,936	\$ 39,936	\$ -
Interest	1,896	3,070	3,070	-
Other	-	32,764	32,764	-
Total Revenues	24,059	75,770	75,770	-
<u>Expenditures:</u>				
Current:				
Public safety	24,059	60,642	38,769	21,873
Total Expenditures	24,059	60,642	38,769	21,873
Excess of Revenues Over Expenditures	-	15,128	37,001	(21,873)
<u>Other Financing (Uses):</u>				
Transfer out	-	(15,129)	(15,129)	-
Net change in fund balance	\$ -	\$ (1)	21,872	\$ 21,873
Fund Balance, beginning of year			163,301	
Fund Balance, end of year			\$ 185,173	

WALTON COUNTY, GEORGIA

DA FORFEITURE
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$ 18,930	\$ 18,930	\$ 15,689	\$ (3,241)
Interest	2,057	2,057	2,106	49
Other	1,263	1,263	1,263	-
Total Revenues	22,250	22,250	19,058	(3,192)
<u>Expenditures:</u>				
Current:				
Court System	36,325	40,408	40,408	-
Total Expenditures	36,325	40,408	40,408	-
<u>Other Financing (Uses)</u>				
Transfer out	-	(13,475)	(13,475)	-
Net change in fund balance	\$ (14,075)	\$ (31,633)	(34,825)	\$ (3,192)
Fund Balance, beginning of year			180,979	
Fund Balance, end of year			\$ 146,154	

WALTON COUNTY, GEORGIA

FORFEITED FEDERAL DRUG FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Expenditures:</u>				
Current:				
Public safety	\$ -	\$ 1,324	\$ 20	\$ 1,304
Total Expenditures	-	1,324	20	1,304
<u>Other Financing Sources</u>				
Transfer in	1,324	1,324	1,324	-
Net change in fund balance	<u>\$ 1,324</u>	<u>\$ -</u>	1,304	<u>\$ 1,304</u>
Fund Balance, beginning of year			-	
Fund Balance, end of year			<u>\$ 1,304</u>	

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2009

	Health Benefits	Workers Compensation	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 4,281	\$ 66,910	\$ 71,191
Investments	254,173	-	254,173
Receivables:			
Accounts	594,694	-	594,694
Interest	153	-	153
Interfund receivable	-	27,940	27,940
Prepayments	2,096	85,876	87,972
Total Assets	<u>855,397</u>	<u>180,726</u>	<u>1,036,123</u>
Liabilities			
Current Liabilities:			
Accounts payable	387	13,969	14,356
Claims payable	993,994	286,942	1,280,936
Total Current Liabilities	<u>994,381</u>	<u>300,911</u>	<u>1,295,292</u>
Long-term Liabilities:			
Claims payable	40,744	283,636	324,380
Total Liabilities	<u>1,035,125</u>	<u>584,547</u>	<u>1,619,672</u>
Net Assets			
Unrestricted	<u>(179,728)</u>	<u>(403,821)</u>	<u>(583,549)</u>
Total Net Assets	<u>\$ (179,728)</u>	<u>\$ (403,821)</u>	<u>\$ (583,549)</u>

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Health Benefits	Workers Compensation	Total
Operating Revenues			
Charges to other funds	\$ 5,473,813	\$ 416,442	\$ 5,890,255
Total Operating Revenues	<u>5,473,813</u>	<u>416,442</u>	<u>5,890,255</u>
Operating Expenses			
Administrative	742,962	-	742,962
Claims	6,044,605	391,508	6,436,113
Fiduciary fees	5,817	750	6,567
Insurance	19,458	155,887	175,345
Total Operating Expenses	<u>6,812,842</u>	<u>548,145</u>	<u>7,360,987</u>
Operating Income (Loss)	<u>(1,339,029)</u>	<u>(131,703)</u>	<u>(1,470,732)</u>
Non-Operating Revenues			
Interest earnings	70,040	193	70,233
Total Non-operating Revenues	<u>70,040</u>	<u>193</u>	<u>70,233</u>
Change in Net Assets	(1,268,989)	(131,510)	(1,400,499)
Net Assets, beginning of year	<u>1,089,261</u>	<u>(272,311)</u>	<u>816,950</u>
Net Assets, end of year	<u>\$ (179,728)</u>	<u>\$ (403,821)</u>	<u>\$ (583,549)</u>

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Health Benefits	Workers Compensation	Total
<u>Cash Flows from Operating Activities</u>			
Payments to suppliers	\$ (6,564,535)	\$ (391,395)	\$ (6,955,930)
Cash received from internal activity and others	5,215,768	402,536	5,618,304
Net Cash Provided by (Used in) Operating Activities	<u>(1,348,767)</u>	<u>11,141</u>	<u>(1,337,626)</u>
<u>Cash Flows from Investing Activities</u>			
Proceeds from sales of investments	1,006,058	-	1,006,058
Interest received	69,887	193	70,080
Net Cash Provided by Investing Activities	<u>1,075,945</u>	<u>193</u>	<u>1,076,138</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(272,822)	11,334	(261,488)
Cash and Cash Equivalents Beginning of Year	<u>277,103</u>	<u>55,576</u>	<u>332,679</u>
Cash and Cash Equivalents End of Year	<u>\$ 4,281</u>	<u>\$ 66,910</u>	<u>\$ 71,191</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (1,339,029)	\$ (131,703)	\$ (1,470,732)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) Decrease in Assets:			
Accounts receivable	(258,045)	-	(258,045)
Due from other funds	-	(13,906)	(13,906)
Prepayments	(2,096)	(4,044)	(6,140)
Increase (Decrease) in Liabilities:			
Accounts payable	(302)	(13,517)	(13,819)
Claims payable	250,705	174,311	425,016
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,348,767)</u>	<u>\$ 11,141</u>	<u>\$ (1,337,626)</u>

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2009

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Juvenile Court	Total
ASSETS							
Cash and cash equivalents	\$ 2,797,423	\$ 571,449	\$ 47,265	\$ 50,776	\$ 20,762	\$ 1,427	\$ 3,489,102
Taxes receivable	3,001,714	-	-	-	-	-	3,001,714
Total Assets	\$ 5,799,137	\$ 571,449	\$ 47,265	\$ 50,776	\$ 20,762	\$ 1,427	\$ 6,490,816
LIABILITIES							
Due to others	\$ 2,797,423	\$ 571,449	\$ 47,265	\$ 50,776	\$ 20,762	\$ 1,427	\$ 3,489,102
Uncollected taxes	3,001,714	-	-	-	-	-	3,001,714
Total Liabilities	\$ 5,799,137	\$ 571,449	\$ 47,265	\$ 50,776	\$ 20,762	\$ 1,427	\$ 6,490,816

WALTON COUNTY, GEORGIA

DEVELOPMENT AUTHORITY OF WALTON COUNTY
A COMPONENT UNIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 200,500
Payments to suppliers	(77,022)
Payments to employees	<u>(107,536)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>15,942</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets and assets held for resale	<u>(708,304)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(708,304)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>27,772</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>27,772</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(664,590)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>868,697</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 204,107</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 8,114
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	2,412
Change in assets and liabilities:	
Decrease in prepaid expenses	3,106
Increase in accrued liabilities	<u>2,310</u>
Net Cash Provided By Operating Activities	<u><u>\$ 15,942</u></u>

WALTON COUNTY, GEORGIA

WALTON COUNTY COMMISSION ON CHILDREN AND YOUTH
A COMPONENT UNIT
BALANCE SHEET
JUNE 30, 2009

ASSETS		
Cash	\$	138,993
Due from primary government		<u>9,618</u>
TOTAL ASSETS	\$	<u><u>148,611</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$	557
Funds held in trust		<u>2,885</u>
TOTAL LIABILITIES		<u>3,442</u>
FUND BALANCE		
Unreserved, undesignated		<u>145,169</u>
TOTAL FUND BALANCE		<u>145,169</u>
TOTAL LIABILITIES AND FUND BALANCE	\$	<u><u>148,611</u></u>

WALTON COUNTY, GEORGIA

WALTON COUNTY COMMISSION ON CHILDREN AND YOUTH
A COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	
State government	\$ 228,413
Charges for services	7,929
Other income	<u>50</u>
 TOTAL REVENUES	 <u>236,392</u>
 EXPENDITURES	
Health and welfare	153,023
Miscellaneous Expense	<u>2,801</u>
 TOTAL EXPENDITURES	 <u>155,824</u>
 NET CHANGE IN FUND BALANCES	 80,568
 FUND BALANCE, Beginning of year	 <u>64,601</u>
 FUND BALANCE, End of year	 <u>\$ 145,169</u>

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SUPPLEMENTARY INFORMATION

WALTON COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2009

Capital Project 2001 SPLOST	Original Estimated Budget	Current Estimated Budget	Prior Years	Current Year	Total	Estimated Percentage of Completion
Judicial Administration Building	\$ 17,785,000	\$ 17,785,000	\$ 15,424,680	480,992	\$ 15,905,672	89%
Jail Addition	9,938,000	9,938,000	8,883,758	78,324	8,962,082	90%
Recreation Facilities	7,660,000	7,660,000	6,870,191	55,045	6,925,236	90%
Road Projects	8,317,000	8,317,000	4,234,682	-	4,234,682	51%
Total	\$ 43,700,000	\$ 43,700,000	\$ 35,413,311	\$ 614,361	\$ 36,027,672	

WALTON COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2009

Capital Project 2007 SPLOST	Original Estimated Budget	Current Estimated Budget	Prior Years	Current Year	Total	Estimated Percentage of Completion
Walton County						
E-911 Towers and Radio	\$ 11,000,000	\$ 11,000,000	\$ 7,659,734	2,184,612	\$ 9,844,346	89%
Water & Sewer Improvements	12,500,000	12,500,000	528,326	1,917,172	2,445,498	20%
Roads & Bridges	18,400,000	18,400,000	3,213,964	3,681,509	6,895,473	37%
Parks & Recreation Facilities	15,400,000	15,400,000	1,788,183	4,917,466	6,705,649	44%
Public Safety	12,200,000	12,200,000	134,048	3,384,256	3,518,304	29%
Senior Citizens Center Upgrades	1,000,000	1,000,000	7,922	264,383	272,305	27%
Animal Control	700,000	700,000	-	124,337	124,337	18%
Total Walton County	71,200,000	71,200,000	13,332,177	16,473,735	29,805,912	
City of Monroe						
Transportation, Drainage and Sidewalks	9,136,000	9,136,000	1,841,262	1,640,069	3,481,331	38%
Public Safety Improvements	2,500,000	2,500,000	-	-	-	0%
Solid Waste Improvements	1,500,000	1,500,000	-	-	-	0%
Water and Sewer Improvements	4,060,000	4,060,000	-	-	-	0%
Airport Improvements	1,500,000	1,500,000	-	-	-	0%
Electric, CATV and Fiber Improvements	1,500,000	1,500,000	-	-	-	0%
Total City of Monroe	20,196,000	20,196,000	1,841,262	1,640,069	3,481,331	
City of Loganville						
Transportation, Drainage and Sidewalks	4,212,000	4,212,000	562,516	408,216	970,732	23%
Water and Sewer Upgrades	2,520,000	2,520,000	-	-	-	0%
Total City of Loganville	6,732,000	6,732,000	562,516	408,216	970,732	
City of Social Circle						
Transportation, Drainage and Sidewalks	3,536,000	3,536,000	1,596,378	758,406	2,354,784	67%
Public Safety Improvements	1,500,000	1,500,000	-	-	-	0%
Cemetery and Park Improvements	200,000	200,000	-	-	-	0%
Total City of Social Circle	5,236,000	5,236,000	1,596,378	758,406	2,354,784	
City of Walnut Grove						
Transportation, Drainage and Sidewalks	2,340,000	2,340,000	536,689	493,366	1,030,055	44%
Public Safety Facilities	950,000	950,000	-	-	-	0%
Library Building Project	450,000	450,000	-	-	-	0%
Total City of Walnut Grove	3,740,000	3,740,000	536,689	493,366	1,030,055	

WALTON COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2009

Capital Project 2007 SPLOST	Original Estimated Budget	Current Estimated Budget	Prior Years	Current Year	Total	Estimated Percentage of Completion
<i>City of Good Hope</i>						
Transportation, Drainage and Sidewalks	468,000	468,000	-	102,521	102,521	22%
Administrative Facility Improvements	280,000	280,000	-	-	-	0%
Total City of Good Hope	748,000	748,000	-	102,521	102,521	
<i>City of Jersey</i>						
Transportation, Drainage and Sidewalks	234,000	234,000	-	-	-	0%
Water and Sewer Improvements	140,000	140,000	-	-	-	0%
Total City of Jersey	374,000	374,000	-	-	-	
<i>City of Between</i>						
Administrative Facilities	374,000	374,000	-	-	-	0%
Total City of Between	374,000	374,000	-	-	-	
Total 2007 SPLOST	\$ 108,600,000	\$ 108,600,000	\$ 17,869,022	\$ 19,876,313	\$ 37,745,335	