

COMPREHENSIVE ANNUAL FINANCIAL REPORT

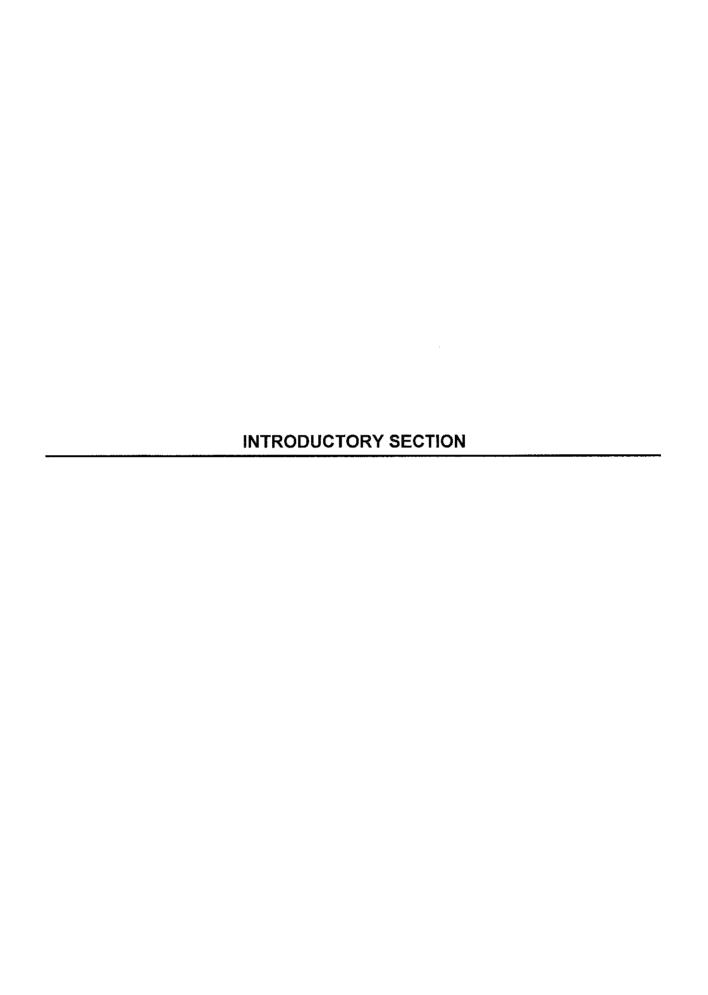
FOR THE FISCAL YEAR ENDED

JUNE 30, 2011

WALTON COUNTY, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011

Prepared By:
The Walton County Finance Department



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2011

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303 S. Hammond Drive Suite 333 Monroe, Georgia 30655



(770) 266-1742 (770) 266-1522 FAX linda.hanna@co.walton.ga.us

December 16, 2011

Honorable Chairman Kevin W. Little Members of the Board of Commissioners And the Citizens of Walton County, Georgia

State law, Official Code of Georgia 36-81-7, requires that all general purpose local governments publish within six months of the close of the fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Walton County, Georgia, for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of Walton County, Georgia. Responsibility for both the accuracy of the presented date and completeness and the fairness of the presentation, including all disclosures, rests with the Government. To provide a reasonable basis for making these representations, management of Walton County has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Walton County's financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, Walton County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Walton County's financial statements have been audited by Maudlin and Jenkins, CPA, LLC, a firm of licensed-certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Walton County for the fiscal year ended June 30, 2011, were free of material misstatement. The independent audit involving the examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements; assessing the accounting principles used by management; and evaluating the overall financial statement presentation.

Maudlin and Jenkins, CPA, LLC has issued an unqualified ("clean") opinion on Walton County's financial statements for the year ended June 30, 2011. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should read in conjunction with the audit. Walton County's MD&A can be found immediately following the report of the independent auditors.

Profile of Walton County, Georgia

Walton County was created from Jackson County on July 15, 1818. The County is located 45 east of the City of Atlanta, and the City of Monroe is the County seat. The principal office of the County is located at 303 S. Hammond Drive, Monroe, Georgia, 30655. The County comprises an area of approximately 330 square miles (89th is size out of 159 counties in Georgia) and had a 2010 census population of 83,758. The 29th most populous Georgia county.

The County is governed by a seven-member Board of Commissioners, which is comprised of a Chairman and six Board members. The six Commissioners are elected by district by the voters residing in each district to serve four-year terms. The commissioners are responsible for passing ordinances, adopting the budget, establishing tax rates, appointing the County Clerk, County Attorney, Department Heads and various committees. The Chairman of the Board is elected at large to serve a four-year term, presides at all meetings of the Board of Commissioners and manages the day-to-day affairs of the County. The Board of Commissioners has one regularly scheduled meeting each month to conduct normal business. Additional meetings are occasionally called for specific purposes.

Walton County provides a full range of services, including law enforcement and a detention facility that houses 375 inmates; fire protection in incorporated and unincorporated areas of the County, maintenance of streets, highways, bridges and other associated infrastructure; voter registration and elections; court system; tax assessment and tax collection; planning, zoning, and development; building inspections; water system, solid waste collection and recycling; animal control; emergency management; ambulance service; E-911 service; and recreation and parks.

This report includes all funds of the County as well as those component units that have been determined to meet the criteria for inclusion in the County's reporting entity. Walton County Health Department, Development Authority of Walton County, and The Partnership for Families, Children, and Youth are all component units of Walton County. Additional information on the legally separate entities can be found in the Notes to the Financial Statements.

The Budget Process

The annual budget serves as the foundation for Walton County's financial planning and control. The Chairman along with two Commissioners serve each year as the Budget Committee. Each constitutional officer, department head and agency representative meet with the Budget Committee to present their request and discuss their accomplishments, trends and needs. The Budget Committee reviews the requests and prepares a recommended budget. The recommended budget is presented by the Chairman of the Board of Commissioners to the full Board at the May meeting. The Board of Commissioners hold public hearings on the proposed budget and adopts the final budget no later than June 30th the close of Walton County's fiscal year. The legal level of budgetary control is the department/fund level. Budgetary control is maintained using an encumbrance system.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment within which Walton County operates.

Local Economy: Walton County is one of 159 counties in Georgia, and is part of the Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area (MSA) with 32,435 households. Median household income increased over the last decade in Walton County has increased from \$46,890 in 2000 to \$58,612 in 2010.

From an employment standpoint, Walton County is attractive to business and industry as evidenced by the recent opening of the largest General Mills Distribution Center in the southeast located in Social Circle. In additional to General Mills, Wal-Mart has a distribution center in Walton County which account for close to 1000 jobs combined. Other industries located in Walton County include Standridge Color Corporation, Solo Cup, Hitachi Automotive Systems Americas, Inc., Leggett and Platt, and Tucker Door and Frame. The diversity of the private sector employers protects the local economy from particular industry fluctuations. The annual unemployment rate for the last decade has mirrored that of the national average. The most recent data show 2011 unemployment of 10.9%. Proximity to transportation hubs, such as the Atlanta airport and converging interstates 20, 75,285, and 85, continue to make Walton County attractive to business and industry, looking to relocate from other area of the state and outside the state.

In addition to production, manufacturing, warehousing and distribution, retail commerce and a variety of professionals are integral to Walton County's economy. Home Depot and Wal-Mart have large retail stores in the County. Walton County is the home of the Blue Willow Inn home of the world famous fried green tomatoes attracting tourists to Walton County. Walton County has several health care specialists and facilities. Walton County Regional Medical Center is in the process of constructing a new facility and Emory University has satellite facilities located in the County. Walton County's proximity to University of Georgia, Perimeter College and Georgia Piedmont Technical College enhance the County's attractiveness to business and industry.

Long Term Financial Planning: An unassigned fund balance in the general fund (34% of total general fund revenues) falls within the policy guidelines set by the Board of Commissioners for budgetary and planning purposes.

The Board of Commissioners approved issuing a Water Authority Series 2011 bond in the amount of \$7.4 million to refunding the Series 1996 Water Authority Bonds, and two notes to Citi Bank and GEFA respectively, with an estimated savings of 8.4%. Walton completed the expansion of the water lines drawing water from Cornish Creek which will allow the County to keep the wholesale cost of water down.

The County's Capital Improvement Program is used a guide for acquisition, construction and replacement of capital assets. Some departments develop plans specific to their functional areas provide additional guidance. Since the County implemented the use of the 1% tax, the Special Purpose Local Option Sales Tax (SPLOST), it has provided approximately \$77.8 million to finance the County's capital assets.

Capital Improvement Program

The County's Capital Improvement Program is used a guide for acquisition, construction and replacement of capital assets. Various departments develop plans specific to their functional areas provide additional guidance to the Board of Commissioners in allocating assets for capital projects.

Impact Fees: To better maintain adequate service levels within the County, Impact Fees are charged in accordance with Walton County Impact Fee Ordinance. These fees are designated to be used for capital improvement projects related to Fire, EMS, Sheriff, jail, library acquisitions, and the acquisition of park land and construction of recreation facilities needed to maintain the current level of service in the face of future growth.

SPLOST: In 2001the County implemented the use of the 1% tax, the Special Purpose Local Option Sales Tax (SPLOST) as voted on by the citizens of Walton County. To date the 1% sales tax has provided approximately \$77.8 million to finance the County's capital assets. The SPLOST implemented in 2007 is shared with the cities of Social Circle, Loganville, Monroe, Jersey, Between, and Good Hope. In November of 2011, the citizens of Walton County voted to extend the current SPLOST for another six years beginning in January 2013.

Cash Management Policies and Practices: Walton County has banking relationships with Athens First Bank and Trust (Synovous). Wells Fargo, and United Community Bank. All operating funds of the County are carried in interest-bearing checking accounts. Walton County also participates in Georgia Fund One, a state local government investment pool which is managed by the Office of Treasury and Fiscal Services. The county does not currently incur financial fees or charges for banking services. To eliminate credit and market risks, all deposits of the County's are ensured by federal depositary insurance or collateralized at 110% of market value. Walton County maintains an A= rating with Standard and Poor's Services. This is a strong rating signifying strong security.

Risk Management: Walton County utilizes two internal service funds. The first is the Employee Health Fund which records the activity of the County's health and dental program. The County is self-funding but has contracted with Blue Cross Blue Shield as the County's third party benefits manager. The second is the Workers Compensation Fund which accounts for the activities related to workers compensation insurance and claims.

The Comprehensive Annual Financial Report (CAFR) has been prepared following the guidelines recommended by the Governmental Finance Officers Association of the United States and Canada (GFOA). We believe the data in this report is accurate and conforms to the standards of the GFOA program for the Certificate of Excellence in Financial Reporting and will submit this report to the GFOA for evaluation of eligibility for the Certificate for this fiscal year.

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedication of the staff in the Finance and Accounting Department of Walton County and the contributions of the Constitutional Officers, Department Heads and assistance of Maudlin and Jenkins, CPA. We wish to express our appreciation and cooperation to the Chairman of the Board of Commissioners, the Board of Commissioners, for their leadership and unfailing support in maintaining the highest standards of professionalism in management and sound financials of Walton County.

Respectfully submitted.

Linda J Hanna

Finance Director

Principal Officials

Board of Commissioners June 30, 2011

Kevin W. Little Chairman
Clinton Ayers Commissioner District 1
Chuck Bagley Commissioner District 2
Vickie Gasaway Commissioner District 3
Lamar Palmer Commissioner District 4

Gerald Atha Commissioner District 5

Kirklyn Dixon Commissioner District 6

Kirby Atkinson, County Attorney

Leta Talbird, County Clerk

Other Elected Officials

Kathy Trost Clerk of Superior Court
Joe Page Coroner
Layla Zon District Attorney
Mike Burke Magistrate Judge
Greg Adams Probate Judge
Joe Chapman Sheriff

John Ott Superior Court Chief Judge

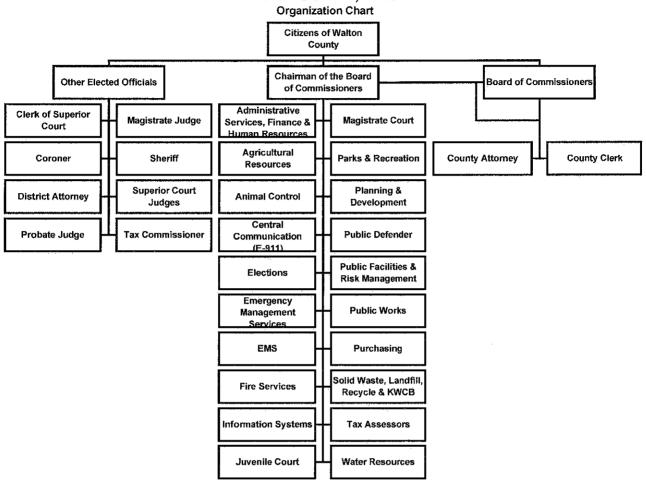
Eugene Benton Superior Court Judge

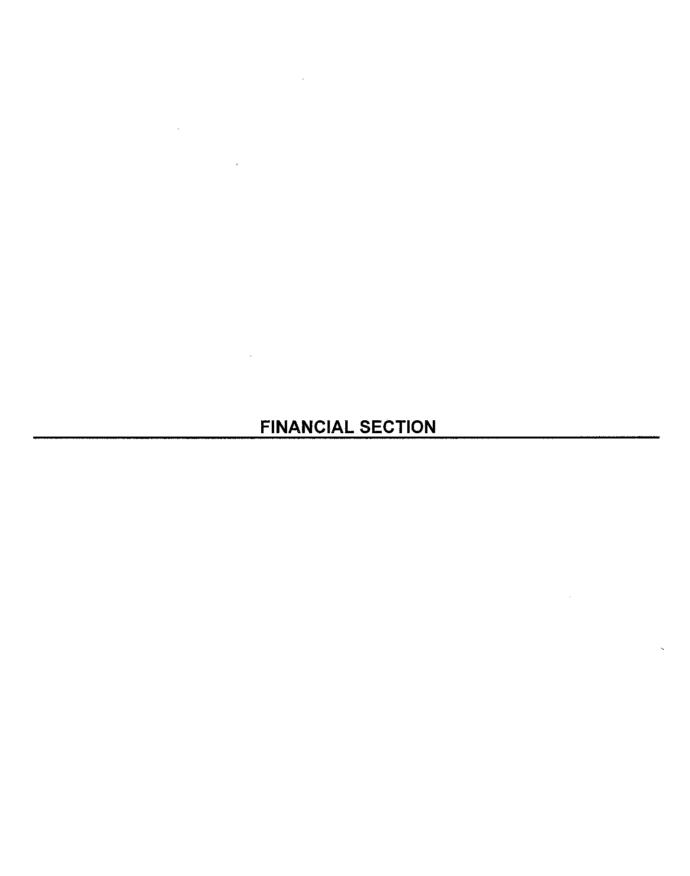
Horace Johnson Superior Court Judge

Samuel Ozburn Superior Court Judge

Kendall Wynne, Jr. Superior Court Judge

Patricia Malcom Tax Commissioner







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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Walton County Health Department, which represents 20 percent, 17 percent, and 59 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, 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, 2011, and the respective changes in financial position and, where applicable, cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, Walton County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011, on our consideration of Walton County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (on pages 4 through 18) and the budgetary comparison information and schedules of funding progress (on pages 64 through 66) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walton County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walton County, Georgia's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Manddin & Jerlins, LLC

Atlanta, Georgia December 15, 2011

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WALTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Walton County's financial performance provides an overview and analysis of the County's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the County's financial statements, which begin on page 19 and the Notes to the Financial Statements, which begin on page 30.

FINANCIAL HIGHLIGHTS

- The County's net assets totaled \$193.3 million for its governmental and business-type activities, an *increase*of \$7.1 million from the previous fiscal year primarily due to an increase in accounts receivables, the
 completion of several capital projects, and reductions in year-end accounts and bonds payable.
- Walton County closed FY 2011 with a governmental fund balance of approximately \$41.5 million. This
 reflects a restricted and committed fund balance of \$9.8 million for Special Local Option Sales Tax
 (SPLOST) Funds, \$5.2 million for Debt Service Funds and \$4.1 million for other non-major governmental
 funds. The fund balance of \$22.3 million for the general fund is a decrease of approximately \$700,000 from
 FY 2010.
- Total combined revenues for governmental and business-type activities were \$69.3 million, a decrease of approximately \$1.4 million from the prior fiscal year due primarily to a decrease in revenues from, recycling sales, EMS, permitting, and slight decrease in, LOST and SPLOST collections.
- Overall expenses were \$62.2 million, of which governmental activities were \$50.8 million and business-type
 activities were \$11.4 million. Total expenses decreased \$3.8 million from the previous fiscal year resulting
 primarily from a decrease in general government expenditures due to continuing cost cutting efforts
 throughout county departments.
- As of June 30, 2011, governmental activities' expenses exceeded program revenue, resulting in the use of \$41.7 million in general revenue (primarily taxes).
- In the County's business-type activities, operating revenues were \$10.8 million and expenses were \$10.1 million, for an operating gain of approximately \$700,000 in FY 2011. This compares with operating losses of approximately \$400,000 for the prior fiscal year primarily as a result of continued cost cutting measures implemented by the County, including postponing the purchase of capital equipment and vehicles.
- The General Fund resources available for appropriation were \$2.8 million more than originally budgeted,
 and expenditures were \$1.3 million less than budgeted.
- The unassigned fund balance of \$15.7 million in the General Fund was a decrease of \$ 3.6 million in the unreserved fund balance from the prior fiscal year.
- On July 1, 2006, the County began collecting impact fees. The County collected \$31,683 in Impact Fees in FY 2011 down \$8,422 from the prior fiscal year. Collections and capital outlay, combined with interest earned, resulted in a fund balance of \$655,277.

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 19 and 20) 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 21. 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 7. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

- Governmental activities—Most of the County's basic services are reported here, including the public safety, public works, judicial, planning, development, and parks departments, as well as general administration.
 Property taxes, fees, fines, and state and federal grants finance most of these activities.
- Business-type activities—The County charges a fee to customers to help it cover the cost of certain services it provides. The County's Emergency Medical Services, Water & Sewerage, Solid Waste and Recycling Operations are reported here.

• Component units—The County includes four separate legal entities in its report—the Walton County Development Authority, the Walton County Commission on Children & Youth, the Walton County Health Department, and the Walton County Water and Sewerage Authority. Although legally separate, these "component units" are important because the County is either financially accountable, or may maintain control by means of appointments to the governing boards of these organizations, or may be required by the state to report them as component units. The Walton County Water and Sewerage Authority is a blended component unit reported as part of the County's Water & Sewer Fund. Financial information for the County's other three component units are found beginning on page 28.

Reporting the County's Most Significant Funds

Fund Financial Statements

Our analysis of the County's major funds begins on page 12. The fund financial statements begin on page 21 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required by State law and by bond covenants. However, the County establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Justice). The County's funds—governmental, proprietary and fiduciary—use different accounting approaches.

- Governmental funds—Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between government-wide information (reported in the Statement of Net Assets and the Statement of Activities) and governmental fund information in reconciliations on pages 19 and 20, and page 23, 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 24.

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 27. These agency funds' balances are due to and others as of the fiscal year end. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

NET ASSETS:

Net assets may, over time, serve as an indicator of a government's financial condition. Walton County's assets exceeded liabilities by \$193.2 million at June 30, 2011.

Net Assets (\$ in thousands)

	Governmer Activities			al	·	Business-type Activities				Total Primary Government Activities			
		2011		2010		2011		2010		2011		2010	
Assets												,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Current and other assets	\$	33,064	\$	32,213	\$	32,066	\$	31,835	\$	65,130	\$	64,048	
Restricted assets		14,942		21,362		35,188		40,365		50,130		61,727	
Capital assets		109,914		111,307		95,668		90,477		205,582		201,784	
Total assets		157,920		164,882		162,922	·	162,677		320,842		327,559	
Liabilities													
Long-term liabilites		33,695		44,789		88,035		89,882		121,730		134,671	
Other liabilities		2,836		3,238		3,000		3,467		5,836		6,705	
Total assets		36,531		48,027		91,035		93,349		127,566		141,376	
Net assets Invested in capital assets,													
net of related debt		90,801		85,914		35,965		33,376		126,766		119,290	
Restricted		18,695		5,343		6,962		7,599		25,657		12,942	
Unrestricted		11,893		25,598		28,960		28,353		40,853		53,951	
Total net assets	\$	121,389	\$	116,855	\$	71,887	\$	69,328	\$	193,276	\$	186,183	

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—decreased, by \$13 million this year, as compare to the end of the prior year. The decrease in unrestricted net assets is mostly due to the completion and capitalization of the Driver's License Center and Fire Station at Between, and road construction.

The largest portion of the County's net assets of \$193 million, reflects investments in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks) less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens and given their nature they cannot be liquidated to repay associated debt; therefore, these assets were not available for future spending.

Included in the County's combined current and other assets of \$66.1 million for governmental activities is \$9.2 million of Special Purpose Local Option Sales Tax revenue to be used for debt service payments on the Counties SPLOST Bond, \$10.4 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-991 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 2011, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

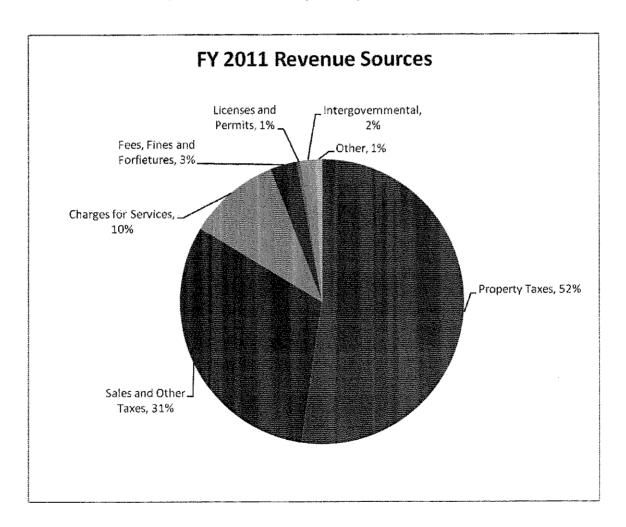
CHANGES IN NET ASSETS:

The County's total change in net assets from the prior fiscal year was an increase of \$7.1 million. This increase is a result of a combination of cost cutting measure implemented by County Departments during FY 2011, an increase in program revenues and decease in program expenditures.

Changes in Net Assets (\$ in thousands)

	 Goverr Acti	nmen vities	tal	<u>. </u>	Busine Acti	ess-ty vities	pe		Total I Gove		•
	2011		2010		2011		2010		2011		2009
Revenues	 								· · · · · · · · · · · · · · · · · · ·	H-1-1-1-1-1	
Program revenues:											
Charges for services	\$ 8,109	\$	7,968	\$	10,842	\$	10,110	\$	18,951	\$	18,078
Operating grants											
and contributions	649		698		-		-		649		698
Capital grants											
and contributions	288		1,060		894		899		1,182		1,959
General revenues:											
Property taxes	30,432		30,445		-		_		30,432		30,445
Other taxes	17,501	•	17,855		-		-		17,501		17,855
Investment earnings	68		97		53		203		121		300
Other revenues	 245		339		230		1,044		475		1,383
Total revenues	 57,292		58,462		12,019		12,256		69,311		70,718
Expenses											
General government	7,442		7,199		-		-		7,442		7,199
Judicial	5,148		4,904		-		-		5,148		4,904
Public safety	21,703		21,439		-		-		21,703		21,439
Public works	8,832		12,065		-		-		8,832		12,065
Health and welfare	1,030		1,232		-		-		1,030		1,232
Culture and recreation	3,868		3,942		•		-		3,868		3,942
Housing and development	1,438		1,454				-		1,438		1,454
Interest on long-term debt	1,320		1,922		-		-		1,320		1,922
EMS	-		-		2,787		2,777		2,787		2,777
Water and sewer	-		-		7,492		7,973		7,492		7,973
Solid waste	 				1,157		1,145		1,157		1,145
Total expenses	 50,781		54,157	_	11,436		11,895	_	62,217		66,052
Income before transfers	6,511		4,305		583		361		7,094		4,666
Transfers	(1,976)		(6,828)		1,976		6,828		-		-
Change in net assets	 4,535		(2,523)		2,559		7,189		7,094		4,666
Net assets beginning of year	116,855		119,378		69,328	_	62,139		186,183		181,517
Net assets end of year	\$ 121,390	\$	116,855	\$	71,887	\$	69,328	\$	193,277	\$	186,183

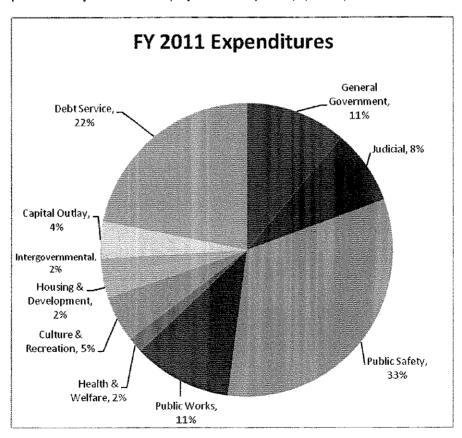
As can be seen from the chart below, approximately 83% of the County's combined total revenue from all Governmental Funds was provided by taxes. Property taxes accounted for 52 % and 31% by sales and other taxes. Property Taxes as a percent of the County's total revenue remained at the same level as the prior year collections while sales taxes increased by 1% over last year due to a small upswing in the economy. Other Taxes as a percentage of the County's total revenue were up 1% as a result increase in other taxes primarily in CATV, railroad equipment and bank tax collections. 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 which remained the same as last year. Charges for services increased 1% from last year accounting for 10% of the County's revenue. The remaining 2%, which includes revenue from intergovernmental sources and investment income, was down 1% from the previous year.



The County's major expense, ensuring public safety, increased by 1% from the prior year to 33% of the combined total expenses. Public Safety includes law enforcement, jail operations, fire protection, E-911, coroner, animal control, and emergency management.

Expenditures for the Culture and Recreation program, which began August 2002, required only 5% of total combined expenditures; this represents no 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 40.84 miles of roads in FY 2011, which is 11.2 fewer than the miles of roads resurfaced in the prior fiscal year. Resurfacing costs were expended in the Public Works Program, which decreased as percentage from 18% of total program expenses in FY 2010 to 11% in FY 2011 primarily due to an overall reduction in Public Works expenditures, completion of major intersection projects and capital equipment purchases.



The General Fund subsidized EMS \$1,179,250 down 22% from FY 2010 and Solid Waste \$618,708 which is up 23% from FY 2010. In the EMS Fund, operating revenues increased by approximately 37%, resulting from an increase in collections, while expenses remained the same as the prior year. In the Solid Waste Fund, revenues increased by approximately 6%, due primarily to an increase in charges for hauling and sales of recyclables, while enterprise fund expenses decreases by approximately 1%. Capital Assets, net of depreciation, decreased slightly for Solid Waste and Water and decreased for EMS and Solid Waste. The Water enterprise realized an operating income of \$2.5 million in FY 2011, up from \$1.8 million in FY 2010. There was a decrease in net assets for business-type activities of \$2.9 million due to debt refinancing in the Water Fund and disposal of equipment in all enterprise Funds.

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 2011 fiscal year with a combined fund balance of \$41.53 million for governmental funds including \$9.8 million restricted for SPLOST projects and \$9.3 million in restricted and committed 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 2011, the unassigned fund balance was \$15.72 million. As a measure of liquidity, it may be useful to compare the unassigned fund balance to the sum of total expenditures for the General Fund and total other financing uses. The unassigned General Fund balance represents 70% of that total, down from the previous year due in part to the use of fund balance to make up budgetary shortfalls from Special Local Option Sales Tax.

The fund balance in the general fund decreased approximately \$713,000 during FY 2011. Tax revenues from sales tax and 2010 tax digest assessments provided the bulk of General Fund revenue, the County's total tax revenue increased 1.2%, while total revenues decreased by approximately 1.3% over FY 2010. Expenditures decreased by \$765,627 due primarily to the County's cost cutting efforts in the departments. 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 2010 property taxes received in FY 2011. 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 imposition of a 1% Special Local Option Sales Tax beginning on January 1, 2002, which raised \$9.16 million in FY 2011, \$9.01 million in FY 2010, \$8.6 million in FY 2009, \$9.9 million in FY 2008, \$5.2 million in FY 2007. As of June 30, 2011, the 2007 SPLOST has raised a cumulative total of approximately \$41.9 million which is being used to meet the debt service payments on the 2007 General Obligation Bonds issued for SPLOST related projects.

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 and additional work on the Judicial Building in FY 2010.

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 2011 several capital projects were funded with SPLOST funds. The County completed construction of the Animal Control Facility, Fire Station and Drivers License Building at Between, and extended water service lines in FY 2011 along with substantial progress with other SPLOST projects both for the County and participating cities. Fund balance in the SPLOST fund decreased approximately 45% from FY 2010 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 2011, the Fund Balance decreased \$15,028 to \$5.24 million due to debt service payments exceeding the SPLOST revenues received.

Non-Major Governmental Funds:

Liabilities in the non-major governmental funds were approximately \$270,000, and the fund balance was approximately \$4.1 million for the year ended June 30, 2011. The non-major governmental fund totals are a combination of the following special revenue funds and capital projects funds:

Special Revenue Funds

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

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

Capital Projects Funds

The 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 Sale Tax fund was to complete the construction of a rail spur and intersection changes for the General Mills Distribution Warehouse project in Social Circle in FY 2011.

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 2011, County impact fees generated \$31,683 in revenue, down over 30% from FY 2010 due to the continued slowdown in development and new construction. Of the funds accumulated earnings, \$50,000 was made available for fire to purchase a fire truck and \$144,000 was made available to continue a Jail expansion project.

Proprietary Funds

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

The County's two internal service funds for employee health care and worker's compensation claims had combined assets of \$2.5 million, liabilities of \$2.8 million, and unrestricted fund deficits totaling \$285,806.

The EMS Fund revenues were up \$472,742, approximately 39% due to rise in ambulance calls while expenses in the EMS fund decreased by \$9,731 from FY 2010. The Water and Sewer Fund had \$338,286 decrease in revenues approximately 4% due to reduction in tap fees and wet spring reducing demand for watering during FY 2011. Expenses in the Water & Sewer Fund increased by \$372,000 from FY 2010, approximately 4.6%, due primarily to a increase in operating costs associated with water maintenance and construction associated with service lines. Solid Waste Fund experienced a \$38,936 increase in revenue from FY 2010, approximately 6%, due primarily to increase in scarp sales and other revenues. Solid Waste Fund experienced a \$12,647 decrease in expenses, approximately 1%, due primarily to decrease in personnel costs.

More detailed information about the County's proprietary funds can be found beginning on page 24.

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 2011 reflect a decrease of approximately \$765,627 over FY 2010.

Few significant budget amendments were made in FY 2011. 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 2011, revenues, including reimbursements, where less than expenditures resulting in a \$713,385 decrease 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, 2011 amounted to \$205 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, decreased by \$2 million for governmental activities and decreased approximately \$5 million for business-type activities due to disposal of equipment and depreciation. Depreciation expense for the governmental activities for the period was \$4.5 million and \$2.9 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 2011 were:

- •\$1.2 million for road resurfacing and road construction projects
- •\$49,400 for jail equipment
- •\$ 5,800 copier for Superior Court
- •\$13,951 for coroner truck
- •\$10,063 for equipment for coroner
- •\$146,019 for sheriff vehicles

Long-term Debt

As of June 30, 2011, Walton County had \$26.16 million in outstanding debt principal, of which \$12.25 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 \$89.8 million to \$88 million in FY 2011. Outstanding debt decreased by \$1.8 million in FY 2011. The County issued a Series 2011 Bond to lower interest costs and consolidate some debt reducing notes payable to Citibank and GEFA. The Water Sewer Debt is comprised of four bond issues including \$60.52 million for the Hard Labor Creek Reservoir project. Notes payable consist of two notes for joint project for Cornish Creek Reservoir with Newton County.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board of Commissioners sets rigorous standards for sound financial management of the County, regularly considering the needs of the community in light of the costs to provide for those needs and the various sources of funding available. The Board of Commissioners did not approve a cost of living increase in the FY 2011 budget due to the 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 2011 fund budgets and tax rates. One of those factors was the economy. Economic activity in Walton County followed regional and national trends, slowing toward the end of the fiscal year compared to previous years. Retail sales and related taxes decreased slightly during the year. As development occurred, the tax digest increased, and the County was able to maintain satisfactory levels of service to its citizens and hold the millage rate constant.

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

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

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

The Board of Commissioners was able to partner with the Development Authority, Social Circle and the State of Georgia bring a General Mills Regional Distribution Center to Walton County. The General Mills project was complete and operations began in FY 2010 and expended its workforce in FY 2011. A few small businesses opened in Walton County despite the slowdown in the economy. Walton County continued construction of the new Animal Control building. Construction began for a new fire station and driver's license center in Between in FY 2010 and was completed in FY 2011. The Water Department expanded the County's capacity to draw water from the Cornish Creek Reservoir in FY 2011 this expansion resulting in a reduction of the cost of wholesale cost of water to the County.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

STATEMENT OF NET ASSETS JUNE 30, 2011

	Pı	rimary Governmen	<u>t</u>	
	Governmental	Business- Type		Component
	Activities	Activities	Total	Units
ASSETS				
Cash and cash equivalents	\$ 26,405,940	\$ 7,111,064	\$ 33,517,004	\$ 1,482,542
Investments	1,146,028	2,225,508	3,371,536	-
Accounts receivable, net of allowances	2,065,265	1,424,106	3,489,371	184,116
Interest receivable	-	3,592	3,592	
Due from other governments	2,198,829	376,712	2,575,541	
Due from primary government	-	-	-	17, 9 66
Internal balances	210,863	(210,863)	~	,
Inventories	229,204	214,693	443,897	
Prepaids	227,407	1,953	229,360	56
Restricted cash and cash equivalents	14,941,599	35,188,201	50,129,800	
Deferred charges, unamortized balance	101,303	1,384,569	1,485,872	
Other assets	479,509	· · · -	479,509	
Long-term intergovernmental receivable	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	19,535,000	19,535,000	
Capital assets			,	
Nondepreciable	23,570,434	42,071,035	65,641,469	3,945,813
Depreciable, net of accumulated depreciation	86,343,838	53,596,521	139,940,359	54,147
Total assets	157,920,219	162,922,091	320,842,310	5,684,640
10(01 00000	101,020,210			
LIABILITIES				
Accounts payable	1,966,286	536,101	2,502,387	98,92
Accrued liabilities	669,597	1,670,492	2,340,089	2,224
Due to other governments	182,372	· · · · · -	182,372	
Due to component unit	17,966	=	17,966	
Customer deposits payable	, <u>-</u>	793,820	793,820	
Note payable due within one year	-	389,389	389,389	
Note payable due in more than one year		5,517,439	5,517,439	
Capital leases due within one year	72,082	-	72,082	
Capital leases due in more than one year	216,248	m*	216,248	
Contracts payable due within one year	195,797	_	195,797	
Contracts payable due in more than one year	2,455,730	_	2,455,730	
Bonds payable due within one year	12,250,000	1,250,000	13,500,000	
Bonds payable due in more than one year	14,326,405	80,597,281	94,923,686	
Compensated absences due within one year	923,810	139,626	1,063,436	19,696
Compensated absences due in more than one year		100,965	441,959	46,35
	2,427,126	100,000	2,427,126	70,00
Claims payable due within one year	371,373		371,373	
Claims payable due in more than one year	3/1,3/3	5,747	5,747	
Landfill postclosure care costs due within one year	•	0,141	3,747	
Landfill postclosure care costs due		34,482	34.482	
in more than one year	444.007	34,402	114,827	
OPEB liability due in more than one year	114,827 36,530,613	91,035,342	127,565,955	167,199
Total liabilities	30,030,013	91,030,342	127,000,933	107,188
NET ASSETS				
Invested in capital assets, net of related debt	90,801,446	35,965,437	126,766,883	3,999,960
Restricted for:	22,001,170	1000, 707	.==;, ==;===	_,,
Judicial	813,702	_	813,702	
Public safety	241,450	-	241,450	
	241,450 141,392	-	141,392	
Health and welfare	,	-	12,272,936	
Capital projects Debt service	12,272,936	- 004 000		
LEON CORICO	5,225,231	6,961,893	12,187,124	
Unrestricted	11,893,449	28,959,419	40.852,868	1,517,481

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

WALTON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2011

			Program Revenues	10	Net (Expense) Revenue a	Net (Expense) Revenue and Changes in Net Assets	Assets
		1000000	Operating	Capital	- Commission	Primary Government	#	1
Functions/Programs	Expenses	Charges for Services	Contributions	Contributions	Activities	Business-Type Activities	Total	Component
Primary government: Governmental activities;								
General government	\$ 7,442,151	\$ 2,599,687	69	69	\$ (4,842,464)	, 69	\$ (4,842,464)	, 49
Judicial	5,147,705	1,210,749	294,683	,	(3,642,273)	•	(3,642,273)	•
Public safety	21,702,763	2,163,047	101,169	62,832	(19,375,715)	•	(19,375,715)	•
Public works	8,832,166	1,133,528	105,689	225,361	(7,367,588)	•	(7,367,588)	1
Health and welfare	1,029,904	81,688	77,838		(870,378)	•	(870,378)	1
Culture and recreation	3,868,087	856,410	90,000		(2,961,677)	•	(2,961,677)	
Housing and development	1,438,293	63,900	19,341	•	(1,355,052)	•	(1,355,052)	•
Interest on long-term debt	1,320,323	•	•	•	(1,320,323)	•	(1,320,323)	1
Total governmental activities	50,781,392	8,109,009	648,720	288, 193	(41,735,470)	7	(41,735,470)	
Business-type activities:								
EMS	2,787,131	1,555,433	•	•	1	(1,231,698)	(1,231,698)	ı
Water and sewer	7,491,312	8,719,974	•	893,606	•	2,122,268	2,122,268	•
Solid waste	1,157,278	567,020	•	1		(590,258)	(590,258)	1
Total business-type activities	11,435,721	10,842,427	,	893,606		300,312	300,312	1
Total primary government	\$ 62,217,113	\$ 18,951,436	\$ 648,720	\$ 1,181,799	(41,735,470)	300,312	(41,435,158)	1
Component units	\$ 2,340,917	\$ 562,375	\$ 1,805,178	\$,			26,636
		General revenues:						
		Property faxes			30 432 049	•	30.432.049	•
		Sales taxes			14.761.140	•	14,761,140	,
		Insurance premium taxes	um taxes		1,906,083	•	1,906,083	•
		Other taxes			833,048	•	833,048	•
		Unrestricted inv	Unrestricted investment earnings		67,641	52,996	120,637	9,375
		Gain on sale of capital assets	capital assets		- 275 455	720 050	207 271	341,767
		Transfers			(1.975,651)	1,975,651	י י י	
		Total general revenues	revenues		46,269,765	2,258,897	48,528,662	351,142
		Change in net assets	net assets		4,534,295	2,559,209	7,093,504	377,778
		Net assets, beginning of year Net assets, end of year	ing of year year		116,855,311 \$ 121,389,606	\$ 71,886,749	186,182,851	5,139,663 \$ 5,517,441

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

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2011

ASSETS:	Gene	eral		Capital Projects 2007 SPLOST		Debt Service	Go	Other overnmental Funds	G	Total overnmental Funds
Cash and cash equivalents	\$ 21,44	6 519	\$	_	\$	_	\$	3,974,126	\$	25,420,645
Restricted cash and cash equivalents	₩ Z1,77	.0,0,0	*	10,403,436	Ψ	4,538,163	•	-	•	14,941,599
Investments		-				-		52,848		52,848
Accounts receivable, net		3,441		•		4 500 700		258,666		1,732,107
Due from other governments Due from other funds		2,156 5,095		-		1,582,729		93,944 4,847		2,198,829 639,942
Prepaids		3,741		-		18,656		3,276		125,673
Inventory		9,204				-		-,		229,204
Advance to other funds		5,661		<u> </u>					_	895,661
Total assets	\$ 25,30	5,817	\$	10,403,436	\$	6,139,548	\$	4,387,707	\$	46,236,508
LIABILITIES AND FUND BALANCES										
LIABILÍTIES										
Accounts payable	\$ 1,73	2,072	\$	84,716	\$	~	\$	130,793	\$	1,947,581
Accrued liabilities	4	7 400		247 400		-		38,136		38,136
Due to other funds Due to other governments	1	7,468		317,198 182,372		_		83,253		417,919 182,372
Due to component unit		_		102,012		_		17,966		17,966
Advances from other funds		-		-		895,661		-		895,661
Deferred revenues		5,036		<u> </u>				-		1,205,036
Total liabilit i es	2,95	4,576	_	584,286		895,661	_	270,148		4,704,671
FUND BALANCES										
Fund balances:										
Nonspendable: Prepaids	10	3,741		_		18,656		3,276		125.673
Inventory		9,204		_						229,204
Advances		5,661				_		-		895,661
Restricted for:										
Judicial		-				-		813,702		813,702
Public safety		-		-				241,450 141,392		241,450 141,392
Health and welfare Capital projects		-		9,819,150		_		2,453,786		12,272,936
Debt service		_		· · · · · · · · · · · · · · · · · · ·		5,225,231		-		5,225,231
Committed to:						• •				
Inmate needs		-		-		-		251,719		251,719
Sheriff's expenditures		-		-		-		212,234		212,234
Assigned: Budgetary shortfalls	6 04	4,754		_		_		-		6,044,754
Sheriff		1,499		_		_		_		101,499
Jail		8,200		-		-		-		148,200
Unassigned		8,182		<u> </u>						14,828,182
Total fund balances Total liabilities and	22,35	1,241		9,819,150		5,243,887		4,117,559		41,531,837
fund balances	\$ 25,30	5,817	\$	10,403,436	\$	6,139,548	\$	4,387,707		
rund balances Amounts reported for governmental activit Capital assets used in governmental activit	ties in the s	tatemer	nt of m	et assets are o	differe	nt because:				109,914,272
Other long-term assets are not available	to pay for o	current-	period	dexpenditures	and, t	therefore, are o	leferr	ed in the funds	S .	1,205,036
Net pension asset is not a financial resor				la li like dea aran carana	menta	al fund activitie	e and	ie thorofora n	ot	479,509
governmental funds.	ation is not	a financ	מוו ומוי							
governmental funds. Net other post employment benefit obligate reported in governmental funds. Internal service funds are used by managemental funds.	gement to d	charge t	he co	sts of health be		s and workers	comp	ensation to	••	(114,827)
governmental funds. Net other post employment benefit obligate reported in governmental funds.	gement to o	charge t interna	he co I serv	ests of health be rice funds are in	nclude	s and workers o	comp ental a	ensation to activities in	••	(314,997) (31,311,224)

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General	Capital Projects 2007 SPLOST	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues			\$ 9,166,127	\$ -	\$ 48,636,167
Taxes	\$ 39,470,040	\$ -	φ 9,100,12 <i>1</i>	Φ -	237,616
Licenses and permits	237,616	-	-	655,670	993,859
Intergovernmental	338,189 4,305,237	-	•	1,757,706	6,062,943
Charges for services		-		230.854	1,775,018
Fines and forfeitures	1,544,164	04.470	8.544	230,654 10.093	95,180
Interest income	52,370	24,173	5,544	,	•
Contributions	52,530	- 470	-	30,017	82,547 245,455
Other revenues	200,277	7,178	0.474.074	38,000	
Total revenues	46,200,423	31,351	9,174,671	2,722,340	58,128,785
Expenditures					
Current:	0.004.000			11,491	6,833,387
General government	6,821,896	-	-	383,295	5,094,439
Judicial	4,711,144	40.000	-	2,096,920	20,036,200
Public safety	17,927,020	12,260	-	2,086,820	6,691,128
Public works	5,518,667	1,172,461	-	222,871	1,065,791
Health and welfare	842,920	~	-	222,071	3,128,025
Culture and recreation	3,128,025	-	-	~	1,420,065
Housing and development	1,420,065	4 047 070	•	-	• •
Intergovernmental	-	1,247,970	-	400 507	1,247,970 2,454,870
Capital outlay	•	2,031,273	•	423,597	2,404,070
Debt service:			44 540 000		44 542 000
Principal	-	W	11,513,229	*	11,513,229 1,893,967
Interest and fiscal charges		4 400 004	1,893,967	0.400.474	
Total expenditures	40,369,737	4,463,964	13,407,196	3,138,174	61,379,071
Excess (deficiency) of revenues					
over (under) expenditures	5,830,686	(4,432,613)	(4,232,525)	(415,834)	(3,250,286)
Other financing sources (uses):					
Transfers in	109,378	-	4,217,497	694,156	5,021,031
Transfers out	(6,653,449)	(177,693)	-	(165,540)	(6,996,682)
Total other financing					
sources (uses)	(6,544,071)	(177,693)	4,217,497	528,616	(1,975,651)
Net change in fund balances	(713,385)	(4,610,306)	(15,028)	112,782	(5,225,937)
Fund balance, beginning of year	23,064,626	14,429,456	5,258,915	4,004,777	46,757,774
Fund balance, end of year	\$ 22,351,241	\$ 9,819,150	\$ 5,243,887	\$ 4,117,559	\$ 41,531,837

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds.	\$ (5,225,937)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,381,629)
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) is to decrease net assets.	(11,432)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(837,447)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related	
items.	11,802,236
Internal service funds are used by management to charge the costs of health benefits and workers compensation to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.	(253,048)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	 441,552
Change in net assets of governmental activities	\$ 4,534,295

STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2011

	_			_					vernmental
	Bu	sines	s-type Activitie Water and	s - En	terprise Fund Solid	S			Activities mal Service
	EMS		Sewer		Waste		Total	nec	Funds
ASSETS						_			
CURRENT ASSETS									
Cash and cash equivalents	\$ 6,837	\$	7,082,942	\$	21,285	\$	7,111,064	\$	985,29
Restricted cash and cash equivalents	-		35,188,201		e		35,188,201		
Investments	-		2,225,508				2,225,508		1,093,180
Accounts receivable, net of allowance	378,376		1,027,271		18,459		1,424,106		333,14
Interest receivable	-		3,592		-		3,592		40.00
Due from other funds	-		270 710		-		070 740		18,03
Intergovernmental receivable	<u>.</u>		376,712		£ 200		376,712		
Inventory	-		209,294		5,399		214,693 1,953		101.73
Prepaids			1,580		373	_			
Total current assets	385,213		46,115,100		45,516		46,545,829		2,531,39
NONCURRENT ASSETS									
Deferred charges	-		1,384,569		-		1,384,569		
Intergovernmental receivable	~		19,535,000		-		19,535,000		
Capital assets:									
Nondepreciable	-		41,718,915		352,120		42,071,035		
Depreciable, net of accumulated depreciation	89,545		53,305,781		201,195		53,596,521		
Total noncurrent assets	89,545		115,944,265		553,315		116,587,125		
Total assets	474,758		162,059,365		598,831	_	163,132,954		2,531,39
LIABILITIES									
CURRENT LIABILITIES									
Accounts payable	31,281		467,279		37,541		536,101		18,70
Accrued expenses	69,618		44,533		20,203		134,354		
Accrued interest			1,536,138		,		1,536,138		
Customer deposits payable	-		793,820				793,820		
Due to other funds	343		238,606		1,105		240,054		
Claims payable - current portion	-		200,000		******				2,427,12
Notes payable - current portion	_		389,389		_		389,389		
Bonds payable - current portion	_		1,250,000		_		1,250,000		
Landfill postclosure care costs - current portion			1,200,000		5,747		5,747		
Compensated absences - current portion	59.625		53,319		26,682		139,626		
Total current liabilities	160,867		4,773,084		91,278		5,025,229		2,445,83
Total current liabilities			4,773,004		91,270	_	3,023,229		2,440,00
ONCURRENT LIABILITIES									274 27
Claims payable - long term portion	-		5 5 4 7 4 8 9		-		F 647 420		371,37
Notes payable - long term portion	-		5,517,439		-		5,517,439		
Bonds payable - long term portion	-		80,597,281		04.400		80,597,281		
Landfill postclosure care costs - long term portion	-		-		34,482		34,482		
Compensated absences - long term portion	66,072	_	32,036		2,857		100,965		371,37
Total long term liabilities	66,072	_	86,146,756		37,339		86,250,167		
Total liabilities	226,939	_	90,919,840		128,617	_	91,275,396		2,817,20
NET ASSETS									
Invested in capital assets, net of related debt	89,545		35,322,577		553,315		35,965,437		
Restricted for debt service	-		6,961,893		-		6,961,893		
Unrestricted	158,274	_	28,855,055		(83,101)		28,930,228		(285,80
Total net assets	\$ 247,819	\$	71,139,525	\$	470,214		71,857,558	\$	(285,80
	Adjustment to reflect	the a	onsolidation of i	ntemat	service fund				
	activities related t						29,191		
	Net assets of busines					\$	71,886,749		

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Water and Sewer \$ 383,242 8,328,215 8,517	s - Enterprise Fund Solid Waste \$ 567,020	Total	Activities Internal Service Funds
\$ 383,242 8,328,215			Funds
8,328,215	\$ 567,020	_	
8,328,215	\$ 567,020		
		\$ 2,490,345	\$ 8,371,590
0.547	_	8,328,215	•
0,017	-	23,867	<u></u>
8,719,974	567,020	10,842,427	8,371,590
1.524.444	783,255	4.818.830	-
454,918	119,286	611,952	_
520,653	110,200	685,518	_
1.686.604	-	1,686,604	_
1,000,004	225,494	225,494	-
-	225,494	220,484	644.600
-	-	-	641,600
-	-	-	7,798,850
-	-	-	5,110
÷	-	-	212,900
2,003,323	29,243	2,105,953	
6,189,942	1,157,278	10,134,351	8,658,460
2,530,032	(590,258)	708,076	(286,870)
(1,268,612)	_	(1,268,612)	_
52,658	29	52,996	1,064
893,606	-	893,606	1,00-1
230,250	_	230,250	
(92,098)	29	(91,760)	1,064
2,437,934	(590,229)	616,316	(285,806)
177.693	618.708	1.975.651	
			(285,806)
. ,	·	2,001,007	(20,9,000)
68,523,898	441,735		-
\$ 71,139,525	\$ 470,214		\$ (285,806)
r	177,693 2,615,627 68,523,898 71,139,525 consolidation of interprise funds	177,693 618,708 2,615,627 28,479 68,523,898 441,735 71,139,525 \$ 470,214 consolidation of internal service fund	177,693 618,708 1,975,651 2,615,627 28,479 2,591,967 68,523,898 441,735 71,139,525 \$ 470,214 consolidation of internal service fund atterprise funds (32,758)

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		G.,		n tuna Antivitis		stampiaa Euro	la.		G	overnmental Activities
		Bu	sines	s-type Activitie	95 - E1		15		14	
		EMS		Water and Sewer		Solid Waste		Total	int	ernal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		LINO		- OCHO!		114010		1000	,	
Receipts from customers and users	\$	1,569,616	\$	9.579.986	\$	570,563	\$	11,720,165	\$	9,268,105
Payments to suppliers	•	(226,157)	•	(3,417,514)	•	(384,881)	-	(4,028,552)	•	(7,742,968)
Payments to employees		(2,516,304)		(1,522,337)		(797,977)		(4,836,618)		(-1
Net cash provided by (used in) operating activities		(1,172,845)	-	4,640,135	-	(612,295)	_	2,854,995		1,525,137
Net cash provided by (asea in) operating activities		(1,172,040)		4,040,100		(012,230)	_	2,004,000		1,020,101
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES										
Transfers in		1,179,250		177,693		618,708		1,975,651		_
Net cash provided by noncapital				,			_			
financing activities		1,179,250		177,693		618,708		1,975,651		
CASH FLOWS FROM CAPITAL AND										
RELATED FINANCING ACTIVITIES										
Acquisitions of capital assets		-		(4,435,357)		(9,251)		(4,444,608)		-
Proceeds from the sale of capital assets		-		230,250		_		230,250		-
Receipts from other governments for capital related activity		-		893,606		-		893,606		-
Principal received on bonds		-		7,415,000		-		7,415,000		-
Principal payments on bonds		_		(5,340,000)		_		(5,340,000)		-
Payments for bond issuance costs		_		(106,384)		_		(106,384)		-
Principal payments on notes		_		(3,697,325)		_		(3,697,325)		_
Interest paid		_		(4,182,469)		_		(4,182,469)		_
Net cash used in capital and related financing activities	_			(9,222,679)		(9,251)		(9,231,930)	_	-
•						······································				
CASH FLOWS FROM INVESTING ACTIVITIES		•	•							
Purchases of investments		-		(21,485)		-		(21,485)		(651,135)
Interest received		309		56,293		29		56,631		1,058
Net cash provided by (used in) investing activities		309		34,808		29		35,146		(650,077)
Change in cash and cash equivalents		6,714	•	(4,370,043)		(2,809)		(4,366,138)		875,060
Cash and cash equivalents:										
Beginning of year		123		46,641,186		24,094		46,665,403		110,235
Doginiang or your							_			
End of year	\$	6,837	<u>\$</u>	42,271,143	\$	21,285	\$	42,299,265	\$	985,295
Reconciliation of operating income (loss) to net cash										
provided by (used in) operating activities:										
Operating income (loss)	\$	(1,231,698)	\$	2,530,032	\$	(590,258)	\$	708,076	\$	(286,870)
Adjustments to reconcile operating income (loss) to net cash		, , , ,								
provided by (used in) operating activities										
Depreciation and amortization		73,387		2,003,323		29,243		2,105,953		_
Change in assets and liabilities:		10,007		2,000,020		20,240		2,100,000		
(Increase) decrease in accounts receivable		14,183		860,012		3,543		877,738		(194,301)
,		17,100		000,012		3,040		017,100		1,090,816
Decrease in due from other funds		-		(54.047)		-		(54.400)		1,080,010
(Increase) decrease in inventory		-		(51,647)		538		(51,109)		·
Increase in prepaids		-		(1,308)		(168)		(1,476)		(6,983)
Increase (decrease) in accounts payable		6,389		(471,895)		4,995		(460,511)		5,779
Increase (decrease) in accrued expenses		6,760		4,313		(924)		10,149		916,696
Decrease in landfill postclosure liability		-		-		(5,746)		(5,746)		-
Increase in customer deposits payable		=		39,370				39,370		-
Decrease in compensated absences		(11,933)		(2,206)		(13,798)		(27,937)		-
Decrease in due to other funds		(29,933)		(269,859)		(39,720)		(339,512)		_
Net cash provided by (used in) operating activities	\$	(1,172,845)	\$	4,640,135	\$	(612,295)	\$	2,854,995	\$	1,525,137
Her sach provided by (used in) operating activities	<u>*</u>	(1,172,040)	<u> </u>	7,070,100	Ψ	(012,200)	<u>*</u>	2,00-1,000	<u>*</u>	1,020,101

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES FIDUCIARY FUNDS JUNE 30, 2011

		Agency Funds
ASSETS		
Cash and cash equivalents	\$	- 1,704,445
Taxes receivable		2,509,579
Total assets	<u>\$</u>	4,214,024
LIABILITIES		
Due to others	\$	1,704,445
Uncollected taxes		2,509,579
Total liabilities	<u>\$</u>	4,214,024

COMBINING STATEMENT OF NET ASSETS COMPONENT UNITS JUNE 30, 2011

		evelopment Authority	D	Health epartment	or	ommission n Children & Youth		Total
ASSETS	•		_		_		_	
Cash and cash equivalents	\$	414,469	\$	918,260	\$	149,813	\$	1,482,542
Accounts receivable		-		184,116		<u>-</u>		184,116
Due from primary government		-		-		17,966		17,966
Prepaids		56						56
Total current assets		414,525		1,102,376		167,779		1,684,680
NONCURRENT ASSETS								
Capital assets:								
Nondepreciable		3,945,813		-		-		3,945,813
Depreciable, net of accumulated depreciation		30,492		23,655		_		54,147
Total noncurrent assets		3,976,305		23,655	-	-		3,999,960
Total assets		4,390,830		1,126,031		167,779		5,684,640
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable		-		97,899		1,024		98,923
Accrued expenses		2,224		-		-		2,224
Compensated absences - current portion		~		19,696		-		19,696
Total current liabilities		2,224		117,595		1,024		120,843
NONCURRENT LIABILITIES								
Compensated absences - long term portion		_		46,356		-		46,356
Total long term liabilities		-		46,356				46,356
Total liabilities		2,224		163,951		1,024		167,199
NET ASSETS								
Invested in capital assets		3,976,305		23,655				3,999,960
Unrestricted		412,301		938,425		166,755		1,517,481
Total net assets	\$	4,388,606	\$	962,080	\$	166,755	\$	5,517,441

COMBINING STATEMENT OF ACTIVITIES COMPONENT UNITS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

			Program Revenues		Net (Expense) Revenue	Net (Expense) Revenue and Changes in Net Assets	ssets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Development Authority	Health Department	Commission on Children & Youth	Total
Development Authority	\$ 713,317	· 1	\$ 687,250	€9	\$ (26,067)	<i>₩</i>	. ↔	\$ (26,067)
Commission on Children & Youth	96,053		1,046,378	1 1	1 1	54,222	(1,519)	54,222 (1,519)
Total component units	\$ 2,340,917	\$ 562,375	\$ 1,805,178	,	(26,067)	54,222	(1,519)	26,636
		General revenues: Unrestricted inve	sneral revenues: Unrestricted investment earnings		2,984	6,391	,	375.9
		Gain on sale of capital assets	capital assets		341,767	1		341,767
		Total general revenues	revenues		344,751	6,391	,	351,142
		Change in net assets	et assets		318,684	60,613	(1,519)	377,778
		Net assets, beginn	Net assets, beginning of year restated		4,069,922	901,467	168,274	5,139,663
		Net assets, end of year	year		\$ 4,388,606	\$ 962,080	\$ 166,755	\$ 5,517,441

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Blended Component Unit

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

Discretely Presented Component Units

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

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

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

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

B. Government-wide and Fund Financial Statements

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

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

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

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

The County reports the following major proprietary funds:

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

D. Deposits and Investments

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

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

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

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

H. Compensated Absences

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

I. Long-Term Obligations

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity

The County implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as of July 1, 2010. This new standard changed the overall definitions and classifications of governmental fund balances. 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 assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances 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.

Committed — Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.

Assigned — Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance director to assign fund balances.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds. The County's policy is to maintain an adequate General Fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster. Through resolution, the County Commission has adopted a financial standard to maintain a General Fund minimum unassigned fund balance of approximately 17 percent of budgeted expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order; Committed, Assigned, and Unassigned.

Net Assets - Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. 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 (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

K. Use of Estimates

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

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

• 3

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

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

The details of this \$31,311,224 difference are as follows:

Bonds payable	\$ (26,576,405)
Less: deferred charges	101,303
Contracts payable	(2,651,527)
Capital lease payable	(288,330)
Accrued interest	(631,461)
Compensated absences	 (1,264,804)
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	\$ (31,311,224)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$1,381,629 difference are as follows:

Capital outlay	\$ 3,187,720
Depreciation expense	(4,569,349)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets - governmental activities	\$ (1,381,629)

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

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

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this \$11,802,236 difference are as follows:

Principal repayments on bonds payable	\$	11,250,000
Principal repayments on contracts payable		191,147
Principal repayments on capital lease		72,082
Amortization of issue costs		(94,414)
Amortization of premium on bonds payable		383,421
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets - governmental activities	œ	11 902 226
governmental activities	<u>\$</u>	11,802,236

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$441,552 difference are as follows:

Net pension asset OPEB liability	42,638 (43,993)
Accrued interest	 284,637
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets -	
governmental activities	\$ 441,552

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

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

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

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

NOTE 4. DEPOSITS AND INVESTMENTS

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the State Treasurer of the State of Georgia. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1 per share. The regulatory oversight agency for Georgia Fund 1 is State Treasurer of the State of Georgia. As of June 30, 2011, the County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2011, the County and its component units are insured or collateralized as defined by GASB pronouncements.

At June 30, 2011, the County had the following investments that are included in the custodial credit risk discussion above related to deposits:

Investment	<u>Maturities</u>	Rating	 Fair Value			
Certificate of deposit	January 9, 2012	N/A	\$ 793,263			
Certificate of deposit	September 2, 2011	N/A	1,432,245			
Certificate of deposit Local Government	February 25, 2012	N/A	52,848			
Investment Pool	59 days weighted average	AAAm	74,456,239			
Money markets	N/A	N/A	1,093,180			
•			\$ 77,827,775			

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

NOTE 5. RECEIVABLES

Receivables at June 30, 2011, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Debt Service Fund		Service EMS		Water and Sewer Fund		Solid Waste Fund		All Other Governmental Funds		nternal Service Funds
Receivables:	 											
Taxes	\$ 1,438,518	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-
Accounts	34,923		-		840,550		1,051,929	18,459		258,666		333,149
Due from other governments	522,156		1,582,729		<u>-</u>		376,712			93,944		-
Gross receivables	1,995,597		1,582,729		840,550		1,428,641	18,459		352,610		333,149
Less allowance												
for uncollectibles	-		-		(462,174)		(24,658)			-		
Net receivables	\$ 1,995,597	\$	1,582,729	\$	378,376	\$	1,403,983	\$ 18,459	\$	352,610	_	333,149

Property taxes for the 2011 fiscal year were levied on July 20, 2010, with property values assessed as of January 1, 2010. The taxes were billed on October 20, 2010 and are payable on or before December 20, 2010, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes attached as an enforceable lien on property as of January 1.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2011 was as follows:

		Beginning Balance		Increases		Decreases		Transfers		Ending Balance
Governmental Activities:										
Capital assets, not being										
depreciated:										
Land and improvements	\$	18,873,402	\$	-	\$	-	\$	11,286	\$	18,884,688
Construction in progress		2,516,021		2,981,551		-		(4,366,103)		1,131,469
Historical artifacts		11,000		-		-		-		11,000
Other assets		3,543,277						-		3,543,277
Total capital assets, not										
being depreciated		24,943,700		2,981,551	_			(4,354,817)		23,570,434
Capital assets, being depreciated:										
Buildings and improvements		59,664,491		_	,	_		2,556,159		62,220,650
Machinery, equipment and vehicles		29,342,061		206,169		(143,771)		-		29,404,459
Infrastructure		66,955,241		-		-		1,798,658		68,753,899
Total capital assets,				:						
being depreciated		155,961,793		206,169		(143,771)		4,354,817		160,379,008
Less accumulated deprediation for.										
Buildings and improvements		14,243,229		1,660,160		_		_		15,903,389
Machinery, equipment and vehicles		15,866,323		1,700,047		(132,339)		-		17,434,031
Infrastructure		39,488,608		1,209,142		-		_		40,697,750
Total accumulated depreciation		69,598,160		4,569,349		(132,339)		_		74,035,170
Total capital assets, being	-									· · · · · · · · · · · · · · · · · · ·
depreciated, net		86,363,633		(4,363,180)		(11,432)		4,354,817	_	86,343,838
Governmental activities capital										
assets, net	\$	111,307,333	\$	(1,381,629)	\$	(11,432)	\$	· -	\$	109,914,272

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

* * ·		Beginning Balance	 Increases	- <u>D</u>	ecreases		Transfers	 Ending Balance
Business-type Activities:								
Capital assets, not being								
depreciated:								
Land	\$	470,170	\$ -	\$	-	\$	-	\$ 470,170
ROW and easements		106,047	_		-		-	106,047
Construction in progress		40,459,479	7,291,281		(32,598)		(6,223,344)	41,494,818
Total capital assets, not							`	
being depreciated		41,035,696	 7,291,281		(32,598)		(6,223,344)	 42,071,035
Capital assets, being depreciated:								
Buildings and improvements		896,465	-		-		-	896,465
Machinery, equipment and vehicles		1,601,890	9,250		(87,691)		-	1,523,449
Water system		34,899,893	-		-		6,223,344	41,123,237
Water system - contributed		21,103,968	_		-		-	21,103,968
Wells		47,225	_		-	•	٠ ـ -	47,225
Cornish Creek - water rights		5,788,729			-		-	5,788,729
System equipment		2,087,679	35,621		(117,294)		-	 2,006,006
Total capital assets,			 					
being depreciated		66,425,849	 44,871	_	(204,985)		6,223,344	 72,489,079
Less accumulated depreciation for:								
Buildings and improvements		508,788	33,541		-		-	542,329
Machinery, equipment and vehicles		1,334,681	104,377		(87,691)		-	1,351,367
Water system		9,637,813	1,297,740		-		-	10,935,553
Water system - contributed		3,805,503	462,662		-		-	4,268,165
Wells		20,302	1,049		-		-	21,351
Comish Creek - water rights		9,648	115,775		-		-	125,423
System equipment		1,667,883	 97,781		(117,294)		-	1,648,370
Total accumulated depreciation		16,984,618	 2,112,925		(204,985)			18,892,558
Total capital assets, being	•							
depreciated, net		49,441,231	 (2,068,054)		-		6,223,344	 53,596,521
Business-type activities capital								
assets, net	\$	90,476,927	\$ 5,223,227	\$	(32,598)	\$		\$ 95,667,556

The amount of interest capitalized and included in construction in progress during the year ended June 30, 2011 was \$2,858,947.

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	\$ 726,966
Judicial	25,075
Public safety	1,724,376
Public works	1,348,831
Health and welfare	7,544
Culture and recreation	728,894
Housing and development	 7,663
Total depreciation expense - governmental activities	\$ 4,569,349
Business-type activities:	
EMS	\$ 73,387
Water and sewer	2,010,295
Solid waste	29,243
Total depreciation expense - business-type activities	\$ 2,112,925

B. Discretely Presented Component Unit – Development Authority

,	1	3eginning						Ending
		Balance		creases	D	ecreases		Balance
Capital assets, not								
being depreciated:								
Property held for resale	\$	2,732,609	\$	210,806	\$	(125,571)	\$	2,817,844
Construction in progress		1,127,969				-		1,127,969
Total		3,860,578		210,806	-	(125,571)	_	3,945,813
Capital assets, being depreciated:	•							,
Building and improvements		5,502		-		_		5,502
Equipment, furniture and vehicles		36,465		31,075		(25,041)		42,499
Total		41,967		31,075		(25,041)		48,001
Less accumulated depreciation for:								
Building and improvements		5,502		-		-		5,502
Equipment, furniture and vehicles		35,866		1,182		(25,041)		12,007
Total		41,368		1,182		(25,041)		17,509
Total capital assets,								
being depreciated, net		599	_	29,893		-		30,492
Total capital assets, net	\$	3,861,177	\$	240,699	\$	(125,571)	\$	3,976,305

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Department of Public Health

	В	eginning						Ending	
		Balance	In	reases	Decr	eases	Balance		
Capital assets, being depreciated: Machinery and equipment	\$	150,249	\$	2,982	\$		\$	153,231	
Total capital assets, being depreciated		150,249		2,982				153,231	
Less accumulated depreciation for:		440.745		0.804				400 E76	
Machinery and equipment Total accumulated depreciation		119,715 119,715		9,861 9,861				129,576 129,576	
rotal accumulated depredation		110,710		0,001	-				
Total capital assets, net	\$	30,534	\$	(6,879)	\$	-	\$	23,655	

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2011, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount			
Generalfund	Capital projects 2007 SPLOST	\$	317,198		
General fund	Nonmajor governmental funds		79,451		
General fund	Water and sewer		238,446		
Nonmajor governmental funds	General fund		1,224		
Nonmajor governmental funds	Nonmajor governmental funds		3,623		
Internal service funds	General fund		16,244		
Internal service funds	Nonmajor governmental funds		179		
Internal service funds	Water and sewer		160		
Internal service funds	EMS		343		
Internal service funds	Solid waste		1,105		

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

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

Interfund transfers for the year ended June 30, 2011 were as follows:

Transfers In	Transfers Out	Amount			
Generalfund	Nonmajor governmental funds	\$	109,378		
Debt service	General fund		4,217,497		
Water and sewer	Capital projects 2007 SPLOST		177,693		
EMS	General fund		1,179,250		
Solid waste	General fund		618,708		
Nonmajor governmental funds	General fund		637,994		
Nonmajor governmental funds	Nonmajor governmental funds		56,162		

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

Due from/to primary government and component units:

Receivable entity	Payable entity	A	mount
Commission on Children & Youth	Walton County - Multiple Grant Fund	\$	17,966

Advances to/from other funds are as follows:

Receivable entity	Payable entity	Amount			
General Fund	Debt Service Fund	\$	895,661		

The amounts payable from the Debt Service fund relate to a debt service payment that was paid by the General Fund.

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2011:

	 Beginning Balance	Additions		Reductions		Ending Balance		Due Within One Year	
Governmental Activities:									
Bonds payable	\$ 37,415,000	\$	-	\$	(11,250,000)	\$	26,165,000	\$	12,250,000
Plus: premium	794,826		-		(383,421)		411,405		
Total bonds payable	 38,209,826		-		(11,633,421)		26,576,405		12,250,000
Contracts payable	2,842,674		-		(191,147)		2,651,527		195,797
Capital lease payable	360,412		-		(72,082)		288,330		72,082
Claims payable	1,881,803		7,798,850		(6,882,154)		2,798,499		2,427,126
OPEB liability	70,834		43,993		-		114,827		-
Compensated absences	 1,423,074		898,605		(1,056,875)		1,264,804		923,810
Governmental activities									
long-term liabilities	\$ 44,788,623	\$	8,741,448	\$	(19,835,679)	\$	33,694,392	\$	15,868,815
Business-type Activities:									
Bonds payable	\$ 78,345,000	\$	7,415,000	\$	(5,340,000)	\$	80,420,000	\$	1,250,000
Deferred charges, net	 1,618,405		(154,945)		(36,179)		1,427,281		-
Total bonds payable	 79,963,405		7,260,055		(5,376,179)		81,847,281		1,250,000
Notes payable	9,604,153		-		(3,697,325)		5,906,828		389,389
Landfill postclosure costs	45,976		-		(5,747)		40,229		5,747
Compensated absences	 268,530		131,190		(159,129)		240,591		139,626
Business-type a ctivities	 								
long-term liabilities	\$ 89,882,064	\$	7,391,245	\$	(9,238,380)	\$	88,034,929	\$	1,784,762

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

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

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

Year ending June 30,	Principal	 Interest	Total
2012	\$ 12,250,000	\$ 1,278,250	\$ 13,528,250
2013	 13,915,000	680,750	 14,595,750
Total	\$ 26,165,000	\$ 1,959,000	\$ 28,124,000

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

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

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

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

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

ļ	Principal	·	Interest		Total
\$	195,797	\$	77,735	\$	273,532
	235,865		70,479		306, 344
	238,578		63,078		301,656
	241,445		55,524		296,969
	244,475		47,807		292,282
	1,474,257		101,205		1,575,462
	21,110		664		21,774
\$	2,651,527	\$	416,492	\$	3,068,019
		235,865 238,578 241,445 244,475 1,474,257 21,110	\$ 195,797 \$ 235,865 238,578 241,445 244,475 1,474,257 21,110	\$ 195,797 \$ 77,735 235,865 70,479 238,578 63,078 241,445 55,524 244,475 47,807 1,474,257 101,205 21,110 664	\$ 195,797 \$ 77,735 \$ 235,865 70,479 63,078 63,078 241,445 55,524 244,475 47,807 1,474,257 101,205 21,110 664

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

The original cost of the County's assets under capital lease arrangements at June 30, 2011 is \$360,412 and there has been \$145,624 of accumulated depreciation as of year end.

Future minimum lease payments as of June 30, 2011 are as follows:

Year ending	Б	ı otal 'ay ment
June 30,	, <u>.</u>	
2012	\$	81,408
2013		79,096
2014		76,745
2015		74,414
Total minimum lease payments		311,663
Less: interest payments		(23,333)
Present value minimum lease payments	\$	288,330

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

Issuance	Interest Rate	Term	Due Date			 Amount Outstanding
Series 1989	7.5 - 8.25%	25 years	2015	\$	2,785,000	\$ 25,000
Series 2002	2.0 - 4.5%	25 years	2028		14,550,000	12,455,000
Series 2008	4.0 - 4.5%	30 years	2038		40,990,000	40,990,000
Series 2008	3.5 - 5.0%	30 years	2038		19,535,000	19,535,000
Series 2011	2.85%	10 years	2021		7,415,000	 7,415,000
				\$	85,275,000	\$ 80,420,000

The Series 2008 bonds listed above were issued for the Hard Labor Creek Reservoir project, for which the County has executed an intergovernmental agreement with Oconee County. Under the terms of the agreement, Walton County will have a 71.2% share of the project leaving 28.8% to Oconee County. The project is to be completed in three phases with a total estimated cost of \$353 million to be split between the counties based on ownership percentages. The agreement with Oconee County runs through May 2057. An intergovernmental receivable has been recorded in the Water and Sewer Fund for the amount Oconee County is obligated to pay. As of June 30, 2011, the balance of the intergovernmental receivable totaled \$19,911,712, including accrued interest.

The Series 2011 bonds listed above were issued in a current refunding of the Series 1996 bonds as well as two notes payable. The bonds mature in February 2021 and pay interest at a rate of 2.85% annually.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

Year ending June 30,	Principal	 Interest	Total
2012	\$ 1,250,000	\$ 3,659,523	\$ 4,909,523
2013	1,280,000	3,636,064	4,916,064
2014	1,310,000	3,597,880	4,907,880
2015	2,800,000	3,558,175	6,358,175
2016	2,800,000	3,462,465	6,262,465
2017 - 2021	12,970,000	15,866,441	28,836,441
2022 - 2026	16,540,000	12,751,405	29,291,405
2027 - 2031	16,225,000	8,579,525	24,804,525
2032 - 2036	17,135,000	4,681,500	21,816,500
2037 - 2038	8,110,000	613,000	 8,723,000
Total	\$ 80,420,000	\$ 60,405,978	\$ 140,825,978

Notes Payable. During 1993, the Water and Sewerage Authority incurred debt in the amount of \$1,221,695 with the Georgia Environmental Facilities Authority for system improvements. The note was paid off during fiscal year 2011 as part of the Series 2011 revenue bond issuance.

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

During 2006, the Water and Sewerage Authority borrowed \$4,500,000 from a financial institution to purchase and install radio read water meters. The note was paid off during fiscal year 2011 as part of the Series 2011 revenue bond issuance.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

Year ending June 30,	F	Principal	Interest	Total
2012	\$	389,389	\$ 277,479	\$ 666,868
2013	,	406,970	260,336	667,306
2014		424,978	243,716	668,694
2015		443,438	226,043	669,481
2016		457,375	207,274	664,649
2017 - 2021		2,554,678	656,375	3,211,053
2022 - 2025		1,230,000	 115,325	 1,345,325
Total	\$	5,906,828	\$ 1,986,548	\$ 7,893,376

Landfill post-closure costs. Effective 1987, the Walton County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2011, the County has 7 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately \$40,229 over the 7 year period. These costs are based on what it would cost to perform all post-closure care in 2011, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

B. Health Department - Component Unit.

The following is a summary of the Health Department's long-term debt activity for the year ended June 30, 2011:

	Ве	eginning					Ending	Dι	ıe Within
	E	Balance	Additions Reductions Balance		Balance		ne Year		
Compensated absences	\$	84,197	\$	69,448	\$ (87,593)	\$	66,052	\$	19,696

NOTE 9. DEFINED BENEFIT PLAN

Plan Description

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

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

As of January 1, 2011, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	42
Term vested participants not receiving benefits	210
Active participants	529
	781

Funding Policy

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

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Annual Pension Cost

The County's annual pension cost and net pension obligation (asset) for the pension plan for the year beginning January 1, 2011, (the most recent actuarial valuation date) are as follows:

	,	June 30, 2011		ne 30, 2010
Derivation of Annual Pension Cost				
Annual Required Contribution	\$	1,100,287	\$	1,070,999
Interest on Net Pension Obligation		(38,089)		(35,097)
Amortization of Net Pension Obligation		40,755		37,553
Annual Pension Cost	\$	1,102,953	\$	1,073,455
Derivation of Net Pension Obligation				
Annual Pension Cost for Current Year			\$	1,102,953
Actual Contributions to Plan for Current Year			` <u></u>	1,145,591
Increase in Net Pension Obligation				(42,638)
Net Pension Obligation (Asset) as of June 30, 2010				(436,871)
Net Pension Obligation (Asset) as of June 30, 2011			<u>\$</u>	(479,509)
		·		••
Basis of Valuation				
Current Valuation Date			J	anuary 1, 2011
Annual Return on Invested Plan Assets				7.75%
Projected Annual Salary Increases		4.0%	6 - 6.5%	based on age
Expected Annual Inflation				3.00%
Actuarial Value of Assets				Market Value
Actuarial Funding Method			-	ted Unit Credit
Amortization Method		Level F	Percent	of Pay (closed)
Remaining Amortization Period				10

The following is a schedule of funding progress:

	(a)	(b)	(b-a) Unfunded Actuarial			[(b-a)/c] UAAL as a
Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	Percentage of Covered Payroll
12/31/2010	\$ 6,718,905	\$ 9,825,734	\$ 3,106,829	68.38 % \$	20,262,687	15.33 %

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

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

	Tr	end Int	formation for Ti	he Plan		
Fiscal Year Ending	Annual Pension Cost (APC)	C	Actual County ontribution	Percent of AP Contribu	C	Net Pension pation (Asset)
June 30, 2011	\$ 1,102,953	\$	1,145,591	103.9	%	\$ (479,509)
June 30, 2010	1,073,455		1,078,548	100.5		(436,871)
June 30, 2009	1,003,934		1,067,565	106.3		(431,778)

NOTE 10. DEFINED CONTRIBUTION PLAN

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

For the year ended June 30, 2011, the County's contribution to the plan was \$667,661 and employee contributions were \$388,707.

NOTE 11. OTHER POST-EMPLOYEMENT BENEFITS

Plan Description

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

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

NOTE 11. OTHER POST-EMPLOYEMENT BENEFITS (CONTINUED)

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

Funding Policy

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

Annual OPEB Cost

The County's annual other post-employment benefit (OPEB) cost and net OPEB obligation for the OPEB plan for the year ending June 30, 2011, are as follows:

	Jun	e 30, 2011	Jur	ne 30, 2010
Derivation of Annual OPEB Cost			•	
Annual Required Contribution	\$	72,555	\$	67,709
Interest on Net OPEB Obligation		5,313		2,657
Adjustment to the ARC		(5,660)		(3,050)
Annual OPEB Cost	\$	72,208	\$	67,316
Derivation of Net OPEB Obligation				
Annual OPEB Cost for Current Year			\$	72,208
Actual Contributions to Plan for Current Year				28,215
Increase in Net OPEB Obligation				43,993
Net OPEB Obligation as of June 30, 2009				70,834
Net OPEB Obligation as of June 30, 2010			\$	114,827
Basis of Valuation				
Current Valuation Date				July 1, 2010
Actuarial Cost Method			Project	ed Unit Credit
Actuarial Value of Assets		Star	dard bala	nced portfolio
Assumed Rate of Return on Investments				7.0%
Healthcare Cost Trend Rate				8.0%
Ultimate Healthcare Trend Rate				5.0%
Year of Ultimate Trend Rate				2012
Amortization Method			Leve	l dollar (open)
Remaining Amortization Period				28 years

NOTE 11. OTHER POST-EMPLOYEMENT BENEFITS (CONTINUED)

The following is a schedule of funding progress:

	(8	a)		(b)	(b-a) Unfunded Actuarial			[(b-a)/c] UAAL as a	
Actuarial	Actu	arial	A	ctuarial	Accrued	(a/b)	(c)	Percentage	
Valuation Date	Valu Ass	e of ets		Accrued cility (AAL)	 Liability (UAAL)	Funded Ratio	 Covered Payroll	of Covered Payroll	_
7/1/2011	\$	_	\$	448,287	\$ 448,287	- %	\$ 20,262,287	2.21 %	6

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2011.

	Trend Information for The Plan													
Fiscal Year Ending	Co	Annual OPEB ost (AOPC)	C	Actual County ntribution	Percent of AOI Contrib	PČ	Net OPEB Obligation							
6/30/11	\$	72,208	\$	28,215	39.1	%	\$	114,827						
6/30/10		67,316		31,915	47.4			70,834						
6/30/09		66,308		30,875	46.6			35,433						

NOTE 12. RISK MANAGEMENT

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

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

NOTE 12. RISK MANAGEMENT (CONTINUED)

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

Fiscal Year	eginning of ear Claims Liability	Claim	urrent Year s and Changes Estimates	 Claims Paid	Y	End of ear Claims Liability
2011	\$ 1,091,658	\$	7,526,303	\$ 6,656,895	\$	1,961,066
2010	1,034,738		6,276,779	6,219,859		1,091,658

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

The members of the Fund are assessable if the losses that the Fund must pay exceed the assets of the pool. At June 30, 2011, there was no need for such an assessment. Therefore, no liability for this has been included in the amounts below. As part of this risk pool, the County is obligated to pay all contributions and assessments, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by this fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the fund to pay any type of loss. The County is also to allow all the pool's agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claims made against the County.

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

The County participates in the large deductible option with a \$250,000 deductible. Under this plan, Walton County is responsible for all payments up to \$250,000 per occurrence on workers' compensation claims. Once an individual claim exceeds the deductible, the plan will pay all costs in excess of the deductible. As of June 30, 2011, an actuary determined that an estimated \$837,433 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2011 for which Walton County will be liable.

NOTE 12. RISK MANAGEMENT (CONTINUED)

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

Fiscal Year	Ye	ginning of ar Claims _iability	Claims	rrent Year and Changes Estimates	 Claims Paid	Ye	End of ar Claims _iability
2011	\$	790,145	\$	272,547	\$ 225,259	\$	837,433
2010		570,578		702,317	482,750		790,145

General Liability

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

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

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

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

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at June 30, 2011, the County has contractual commitments on uncompleted contracts of approximately \$335,917.

Litigation

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

Grant Contingencies

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

NOTE 14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Northeast Georgia Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2011, the County paid \$75,647 in such dues. Membership in the Northeast Georgia Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

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

Northeast Georgia Regional Commission 305 Research Drive Athens, GA 30605

NOTE 14. JOINT VENTURE (CONTINUED)

During 1998, the Four County Industrial Development Authority (the "Joint Authority"), a joint venture, was formed for the purpose of purchasing and developing an industrial site. The land was purchased through the Walton County Development Authority, until such time as the Joint Authority could issue permanent bond financing for the project. The Joint Authority issued \$9,000,000 in bonded debt in October 2000 and refinanced in January 2009 for the repayment of the Walton County Development Authority, to pay issuance costs of the bond, and to provide initial development costs. The stated percentages of ownership and debt assumption are as follows: Newton County 37.5%, Walton County 37.5%, Morgan County 15%, and Jasper County 10%. The County has recorded its portion of the debt and the related land investment in the amount of \$3,375,000.

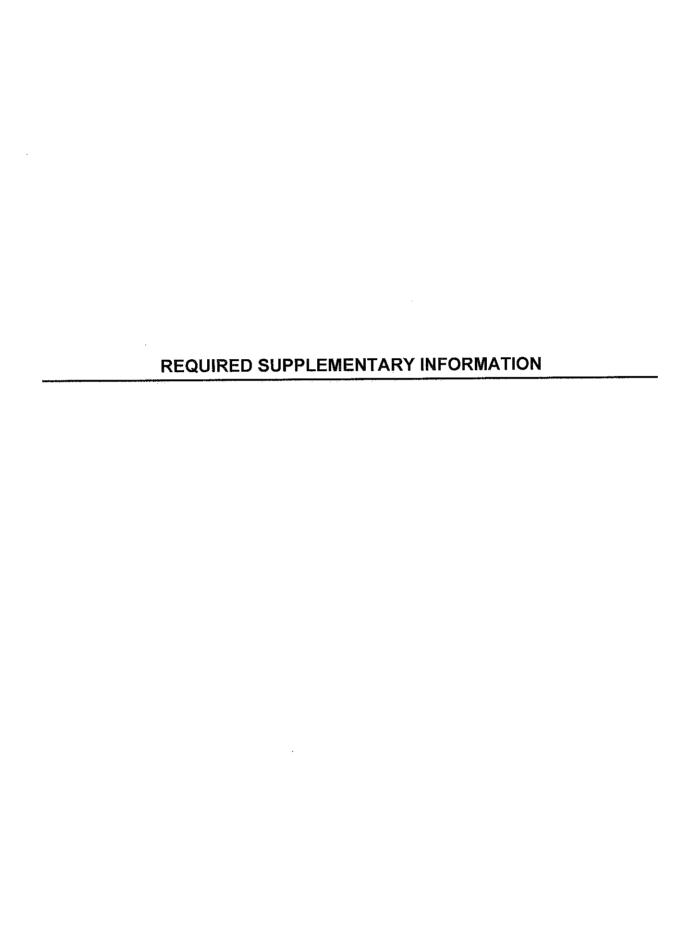
In June 2001, the Joint Authority issued a GEFA loan in the amount of \$487,760 to finance the extension of water and wastewater service to the above mentioned property. According to the intergovernmental agreement established in conjunction with the issuance of the GEFA loan, the stated percentages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

Separate financial statements can be obtained from:

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

NOTE 15. PRIOR PERIOD ADJUSTMENT - COMPONENT UNIT

Net assets for both the Department of Public Health have been decreased by \$29,462 to reflect an error in the June 30, 2010 financial statements. This amount was initially included in fee income for the prior year but was later determined that the amount should be returned to the Georgia Department of Community Health.



GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

					iance Final
	Budgete Original	d Amounts Fina	ıl	Actual	dget
Revenues:					
Property taxes	\$ 28,683,352		29,622 \$	30,798,590	\$ 968,968
Sales taxes	5,880,000	5,9	20,818	5,932,319	11,501
Insurance premium taxes	2,000,000	1,9	06,083	1,906,083	
Other taxes	882,900	8	32,734	833,048	314
Licenses and permits	226,775	2	45,641	237,616	(8,025
Intergovernmental	120,339	3	42,350	338,189	(4,161
Charges for services	3,918,957	4,3	04,816	4,305,237	421
Fines and forfeitures	1,429,500	1,5	39,677	1,544,164	4,487
Interest	64,811		52,371	52,370	(1
Contributions	-		52,530	52,530	-
Other revenues	136,900	1	80,882	200,277	 19,395
Total revenues	43,343,534	45,2	07,524	46,200,423	 992,899
Expenditures:					
Current:					
General government:				461.445	
Board of commissioners	141,122		64,448	164,448	-
County clerk	90,688		91,071	91,071	-
Chairman	133,680		38,908	138,906	2
Tax commissioner	811,793		29,146	829,146	•
Tax assessor	838,373	8	68,857	868,857	•
Elections	395,340	3	64,825	364,825	
Financial administration	252,245	2	57,761	257,761	•
Accounting	323,326	3	41,936	341,936	
Purchasing	83,950		80,768	80,768	
Law	250,000	2	79,236	279,236	
Data processing	358,733	3	74,825	355,143	19,682
Human resources	320,746	3	06,905	304,732	2,173
Board of equalization	44,437		46,085	45,905	180
Risk management	701,704	6	07,775	607,775	
General government buildings	2,041,750		05,406	1,985,539	119,867
RDC & ACCG fees	108,109		81,310	79,558	1,752
	27,987		26,290	26,290	-
Customer service Total general government	6,923,983	6,9	65,552	6,821,896	143,656
Judicial:					
Superior court	884,690		28,821	665,852	262,969
Clerk of superior court	995,196	ç	96,501	967,348	29,153
District attorney	795,054	8	93,977	776,549	117,42
Probate court	600,183	ϵ	83,114	682,893	22
Magistrate court	372,679	3	77,296	376,060	1,23
Juvenile court	686,406	7	62,642	762,640	:
Public defender	522,167	4	83,938	479,802	 4,13
Total judicial	4,856,375	5,1	26,289	4,711,144	 415,148
Public safety:		_		054.004	,
Sheriff's office	844,638		54,606	854,601	;
Law enforcement administration	859,569		29,676	929,676	
Criminal investigation	1,005,259		92,941	1,092,941	
Uniform patrol	2,610,730		371,837	2,871,837	
Youth investigation	471,405		86,729	486,729	
Jail operations	5,654,594		00,911	5,897,256	3,65
Court services	1,339,301		69,370	1,369,370	
Fire administration	243,635		239,911	239,911	
Fire fighting	3,231,158	3,3	390,629	3,390,618	1
Fire training	20,818		12,276	12,236	4
Fire stations and buildings	150,500	•	47,277	145,987	1,29
Coroner	79,304		73,224	73,224	
Comm/ E911	16,952		4,029	3,940	8
Animal control	442,455	4	167,930	467,930	
Emergency management	87,839		90,764	90,764	
CHERCETCY BAHAGERER	17,058,157		32,110	17,927,020	 5,09

(Continued)

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

				Variance with Final
	Budgeted	Final	Actual	Budget
T (0 10 10 10 10	Original	Fillal	Actual	Daager
Expenditures (Continued):				
Current (Continued):				
Public works:	\$ 167,739	\$ 147,148	\$ 147,148	\$ -
Highway and streets administration	4,426,858	4,559,556	3,891,602	667,954
Roadways and waikways	240,000	171,821	171,821	20,100
Unpaved streets	500,000 500,000	505,599	505,599	_
Street lighting		412,213	267,260	144,953
Traffic engineering	352,581		450.340	1-1-1,000
Maintenance and shop	440,985	450,340	84,897	38,031
Stormwater	145,748	122,928	5,518,667	850,938
Total public works	6,273,911	6,369,605	5,516,667	030,936
Health and welfare:				2.000
Health centers and clinics	524,015	529,047	527,008	2,039
Aid to dependent children	101,865	101,865	101,865	
Pauper burial costs	30,000	30,000	14,109	15,891
Walton County Senior Citizens, Inc.	189,938	189,938	189,938	-
Alcove, Inc. (shelter)	20,000	20,000	10,000	10,000
Total health and welfare	865,818	870,850	842,920	27,930
Culture and Recreation:				
Recreation programs	1.078.551	1,085,436	1,080,451	4,985
Tournament programs	320,407	304,860	304,860	-
Park areas	1,478,840	1,508,124	1,492,424	15,700
	250,290	250,290	250,290	•
Library Total culture and recreation	3,128,088	3,148,710	3,128,025	20,685
() d danalar mask				
Housing and development:	14,762	14.762	14,762	-
Conservation administration	49,231	52,929	52,836	93
USDA natural resource conservation service	114,792	90.186	88,141	2,045
County extension service		61,197	60,634	563
Forest resources	43,640	376,459	376,459	-
Protective inspection administration	379,446		484,920	_
Planning and zoning	457,564	484,920		2,100
Walton County planning commission	4,200	4,200	2,100	2,100
Walton County board of appeals	4,200	4,200	4,200	-
Code enforcement	120,504	127,052	127,052	-
Economic development	200,638	200,638	200,638	-
Action Inc.	8,323	8,323	8,323	4,801
Total housing and development	1,397,300	1,424,866	1,420,065	4,601
Total expenditures	40,503,632	41,837,982	40,369,737	1,468,245
Excess of revenues over expenditures	2,839,902	3,369,542	5,830,686	2,461,144
Other financing sources (uses):				
Transfers in	173,961	220,966	109,378	(111,588)
Transfers out	(6,329,183)	(6,972,850)	(6,653,449)	319,401
Total other financing sources (uses)	(6,155,222)	(6,751,884)	(6,544,071)	207,813
Net change in fund balances	(3,315,320)	(3,382,342)	(713,385)	2,668,957
Fund balance, beginning of year	23,064,626	23,064,626	23,064,626	
Fund balance, end of year	\$ 19,749,306	\$ 19,682,284	\$ 22,351,241	\$ 2,668,957
runu parance, enu or year	10,1-70,000			

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF FUNDING PROGRESS

		 Defined	Bene	efit Pension Pla (b-a)	an .	 		
Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)		(IP-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll	
December 31, 2010	\$ 6,718,905	\$ 9,825,734	\$	3,106,829	68.4%	\$ 20,262,687	15.3%	
December 31, 2009 December 31, 2008	5,677,407 3,920,133	8,909,496 7,223,759		3,232,089 3,303,626	63.7% 5 4.3 %	20,784,915 19,834,984	15.6% 16.7%	
December 31, 2007 December 31, 2006	3,114,743 2,457,758	6,070,874 5,272,700		2,956,131 2,814,942	51.3% 46.6%	15,760,201 15,237,832	18.8% 18.5%	
December 31, 2005	2,380,496	5,434,321		3,053,825	43.8%	15,283,997	20.0%	

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

Other Post-Employement Benefit Plan

Measurement Date	Act Val	a) uarial ue of sets	(b) Actuarial Accrued Liability (AAL)	,	(b-a) Infunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
July 1, 2011	\$	_	\$ 448,287	\$	448,287	0.0%	\$ 20,262,287	2.2%
July 1, 2009	*	-	456,050		456,050	0.0%	20,784,915	2.2%
July 1, 2008		-	407,300		407,300	0.0%	19,834,984	2,1%

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes other than capital projects or debt service.

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

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

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

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

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

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

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

Sheriff's Programs Fund - to account for funds received through the traffic safety and H.E.A.T. programs and expenditures in the Sheriff's office.

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

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

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

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

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2011

	Special Revenue Funds												
ASSETS		Law Library	Forfeited Drug Seizure		Inmate Phone		Emergency 911		Clerk's Authority		Juvenile Supplemental Services		
Cash and cash equivalents	\$	37,990	\$	36,161	\$	251,719	\$	-	\$	119,942	\$	320,442	
Investments Accounts receivable		52,848				-		218,808		-		39,858	
Due from other governments Prepaids		-		- -		-		2,858		-		418	
Due from other funds Total assets	\$	90,838	\$	36,161	\$	251,719	\$	221,666	\$	119,942	\$	360,718	
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Accounts payable	\$	-	\$	-	\$	-	\$	20,491	\$	-	\$	25	
Accrued liabilities		-		-		-		27,754 95		-		•	
Due to other funds		-		-		-		95		_		_	
Due to component unit Total liabilities					_	-		48,340				25	
FUND BALANCES													
Nonspendable:								0.059				418	
Prepaids		-		-				2,858		-		410	
Restricted for: Judicial		90,838		_		_		_		119,942		360,275	
Public safety		80,030		36,161		_		170,468		-		-	
Health and welfare		_				w		_		-		-	
Capital projects		-		•		-		-		~		-	
Committed to:													
Inmate needs		-		-		251,719		-		-		-	
Sheriff's expenditures		-				-				- 440.040			
Total fund balances		90,838		36,161		251,719		173,326		119,942		360,693	
Total liabilities and					_	054.740	•	004 000	•	119,942	\$	360,718	
fund balances	\$	90,838	\$	36,161	<u>\$</u>	251,719	\$	221,666	<u>\$</u>	119,844	4	300,710	

(Continued)

Multiple Grant	Sheriff's Programs		Drug Abuse Treatment Education		DARE Program		Crime Victim's Assistance		Seized Drug		Inmate Commissary	
\$ -	\$	4,685	\$	133,639	\$	10,288	\$	243,332	\$	37,062	\$	235,909
-		-		-		-		-		-		-
86,191		-		7,753		-		-		-		-
-		-		•		-		-		-		
\$ 3,623 89,814	\$	4,685	\$	141,392	\$	10,288	\$	243,332	\$	37,062	\$	235,909
\$ 17,984 8,022	\$	-	\$	•	\$	-	\$	2,360	\$	35,381	\$	20,709
45,842		-		-		-		10,853		-		-
17,966				_				-				00.700
89,814						-		13,213		35,381		20,709
-		-		-		-				-		-
w		_		•		_		230,119		-		
-		-		-		**		-		1,681		17,939
_		-		141,392		-		-		-		
-		-		-		-		_		_		
-		-		-		-		-		-		407.004
 		4,685 4,685		141,392		10,288		230,119		1,681		197,261 215,200
 	-	4,065		141,092		10,200	-	200,119		1,001	· · ·	2.10,200
\$ 89,814	\$	4,685	\$	141,392	\$	10,288	\$	243,332	\$	37,062	\$	235,909

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2011

		Special Rev	enue i	Funds	Capital Projects Funds						
ASSETS	Fc	DA orfeiture	-	orfeited deral Drug	•	Capital Projects Grant		2001 SPLOST		Impact Fees	Total Nonmajor evernmental Funds
Cash and cash equivalents Investments Accounts receivable Due from other governments Prepaids Due from other funds	\$	13,159 - - - - -	\$	15,201 - - - - -	\$	- - - -	\$	1,860,544 - - - -	\$	654,053 - - - 1,224	\$ 3,974,126 52,848 258,666 93,944 3,276 4,847
Total assets LIABILITIES AND FUND BALANCES	\$	13,159	\$	15,201	\$	-	\$	1,860,544	\$	655,277	\$ 4,387,707
LIABILITIES Accounts payable Accrued liabilities Due to other funds Due to component unit Total liabilities	\$	631 - - - 631	\$	- -	\$	* - - - -	\$	35,572 - 26,463 - 62,035	\$	- - - - -	\$ 130,793 38,136 83,253 17,966 270,148
FUND BALANCES Nonspendable: Prepaids Restricted for: Judicial Public safety Health and welfare Capital projects Committed to: Inmate needs Sheriff's expenditures Total fund balances		- 12,528 - - - - - - 12,528		15,201 - - - - - 15,201		- - - - -		1,798,509 - 1,798,509		- - - 655,277	3,276 813,702 241,450 141,392 2,453,786 251,719 212,234 4,117,559
Total liabilities and fund balances	\$	13,159	\$	15,201	\$	-	\$	1,860,544	\$	655,277	\$ 4,387,707

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds							
_	Law Library	Forfeited Drug Seizure	Inmate Phone	Emergency 911	Clerk's Authority	Juvenile Supplemental Services		
Revenues:	•	•	•	•	\$ 5.891	\$ -		
Intergovernmental Fines and forfeitures	\$ ~	\$ -	\$	\$ -	\$ 5,691	- 47,503		
Charges for services	60,231	41,098	99,697	1,584,555	-	41,000		
Interest income	1,611	75	1,055	1,504,555	242	616		
Contributions	1,011	73	1,000	-	242	010		
Other revenues	-	-	-	654	-	-		
Total revenues	61,842	41,173	100,752	1,585,209	6,133	48,119		
rotarrevenues	01,042	41,173	100,752	1,565,209	0,133	40,119		
Expenditures:								
Current								
General government	w	•	-	-	-			
Judicial	58,680		-		-	3,476		
Public safety	-	23,753	-	1,955,321	-	-		
Health and welfare	-	-	-	-	щ	-		
Capital outlay								
Total expenditures	58,680	23,753	-	1,955,321		3,476		
Excess (deficiency)								
of revenues over								
(under) expenditures	3,162	17,420	100,752	(370,112)	6,133	44,643		
Other financing sources (uses)	:							
Transfers in	₩	-	-	400,849	-	-		
Transfers out			(32,409)		(3,530)			
Total other financing sources (uses)	_	_	(32,409)	400,849	(3,530)	-		
					(-1)	· · · · · · · · · · · · · · · · · · ·		
Net change in								
fund balances	3,162	17,420	68,343	30,737	2,603	44,643		
Found belonges (defect)								
Fund balances (deficit),	07.676	18,741	400 076	140 600	117,339	316,050		
beginning of year	87,676	18,741	183,376	142,589	117,339	316,050		
Fund balances,								
end of year	\$ 90,838	\$ 36,161	\$ 251,719	\$ 173,326	\$ 119,942	\$ 360,693		
•			· · · · · · · · · · · · · · · · · · ·					

(Continued)

Multiple Grant		heriff's ograms	Т	ug Abuse reatment ducation	DARE rogram	Crime Victim's ssistance		eized Drug	Inmate mmissary
\$ 381,304	\$	-	\$	-	\$ -	\$ 116,433	\$	-	\$ -
-		-		72,603	-	-		-	41,771
1		_		267	-	1,129		-	41,771
27,000		_		-	3,017			-	-
 25,753		1,724			· · · · · ·	 		-	9,869
 434,058		1,724		72,870	3,017	 117,562		-	 51,662
~		-		-	_	-		_	-
148,661				-	-	103,330		-	-
82,249		1,671		-	13,745	-		-	12,181
195,196		-		27,675	-	-		-	-
 426,106		1,671		27,675	 13,745	 103,330			 12,181
7,952		53		45,195	(10,728)	14,232		-	39,481
<u> </u>	•			····		 			
143,360		4,632		_	12,848	_		_	150
(13,550)		1,002		(33,507)	-	(15,635)		_	(8,516
129,810		4,632		(33,507)	 12,848	 (15,635)			 (8,366
137,762		4,685		11,688	2,120	(1,403)		~	31,115
 (137,762)		-		129,704	8,168	 231,522		1,681	 184,085
\$ <u>-</u>	\$	4,685	\$	141,392	\$ 10,288	\$ 230,119	\$	1,681	\$ 215,200

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Rev	renue F	unds		c	apita	l Projects Fun	ds			
	DA Forfeiture		orfeited eral Drug		Capital Projects Grant		2001 SPLOST		Impact Fees		Total Nonmajor vernmental Funds
Revenues:											
Intergovernmental	\$ -	\$	16,405	\$	135,637	\$		\$		\$	655,670
Fines and forfeitures	9,419		-		-		-		-		230,854
Charges for services	-		-		-		-		31,683		1,757,706
Interest income	254		20		-		3,366		1,435		10,093
Contributions	-		-		-		••		**		30,017
Other revenues	-		.		-		_		-		38,000
Total revenues	9,673		16,425		135,637		3,366		33,118		2,722,340
Expenditures:											
Current											
General government	-				-		11,491		-		11,491
Judicial	69,148		_						_		383,295
Public safety	· -		8,000		_		_		_		2,096,920
Health and welfare	-				_						222,871
Capital outlay	_				211,233		67,879		144,485		423,597
Total expenditures	69,148		8,000		211,233	_	79,370		144,485		3,138,174
Excess (deficiency)											
of revenues over											
(under) expenditures	(59,475)		8,425		(75,596)		(76,004)		(111,367)		(415,834)
Other financing sources (uses)	ı:										
Transfers in			_		132,317		_		-		694,156
Transfers out	(8,393)		-		-		_		(50,000)		(165,540)
Total other financing							 				
sources (uses)	(8,393)		<u> </u>		132,317				(50,000)		528,616
Net change in											
fund balances	(67,868)		8,425		56,721		(76,004)		(161,367)		112,782
Fund balances (deficit),											
beginning of year	80,396		6,776		(56,721)		1,874,513		816,644		4,004,777
Fund balances,				_							
end of year	\$ 12,528	\$	15,201	\$		\$	1,798,509	\$	655,277	<u>\$</u>	4,117,559

LAW LIBRARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		Bue	lget			Var	iance with
		Original		Final	 Actual	Final Budget	
Revenues:							
Fines and forfeitures	\$	76,500	\$	74,875	\$ 60,231	\$	(14,644)
Interest income		25		1,650	1,611		(39)
Total revenues		76,525		76,525	61,842		(14,683)
Expenditures:							
Current Judicial		76 505		76 505	E0.000		47.045
		76,525		76,525	 58,680		17,845
Total expenditures		76,525		76,525	 58,680		17,845
Net change in fund balance		-		-	3,162		3,162
Fund balance, beginning of year	***************************************	87,676		87,676	 87,676		<u>-</u>
Fund balance, end of year	\$	87,676	\$	87,676	\$ 90,838	\$	3,162

FORFEITED DRUG SEIZURE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	 Buc	dget				ance with
	 Original		Final	 Actual	Final Budget	
Revenues:				 ,		
Fines and forfeitures	\$ 14,000	\$	41,080	\$ 41,098	\$	18
Interest income	 45		76	 75		(1)
Total revenues	 14,045		41,156	 41,173		17
Expenditures:						
Current						
Public safety	 14,045		41,156	 23,753		17,403
Total expenditures	 14,045		41,156	 23,753		17,403
Net change in fund balance	•		-	17,420		17,420
Fund balance, beginning of year	 18,741		18,741	 18,741		
Fund balance, end of year	\$ 18,741	\$	18,741	\$ 36,161	\$	17,420

INMATE PHONE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

·		Bu	dget				iance with
		Original		Final	 Actual	Fin	al Budget
Revenues:							
Charges for services	\$	38,000	\$	38,000	\$ 99,697	\$	61,697
Interest income		600		600	 1,055		455
Total revenues		38,600		38,600	100,752		62,152
Expenditures:							
Current							
Public safety		38,600		6,191	 		6,191
Total expenditures	-	38,600		6,191	 -	-	6,191
Excess of revenues over expenditures	_			32,409	 100,752		68,343
Other financing uses							
Transfers out		-		(32,409)	(32,409)		-
Total other financing uses				(32,409)	 (32,409)		-
Net change in fund balance		-		-	68,343		68,343
Fund balance, beginning of year		183,376		183,376	 183,376		
Fund balance, end of year	\$	183,376	\$	183,376	\$ 251,719	\$	68,343

EMERGENCY 911 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		dget				iance with
	 Original		Final	 Actual	Fir	nal Budget
Revenues:						
Charges for services	\$ 1,101,100	\$	1,533,000	\$ 1,584,555	\$	51,555
Other revenues	 -		1,478	 654		(824)
Total revenues	1,101,100		1,534,478	 1,585,209		50,731
Expenditures:						
Current						
Public safety	2,059,770		2,126,663	1,955,321		171,342
Total expenditures	 2,059,770		2,126,663	 1,955,321		171,342
Deficiency of revenues under expenditures	 (958,670)		(592,185)	 (370,112)		222,073
Other financing sources						
Transfers in	958,670		592,185	400,849		(191,336)
Total other financing sources	958,670		592,185	400,849		(191,336)
Net change in fund balance	-		-	30,737		30,737
Fund balance, beginning of year	 142,589		142,589	 142,589		
Fund balance, end of year	\$ 142,589	\$	142,589	\$ 173,326	\$	30,737

CLERK'S AUTHORITY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Bu	dget			Varia	ance with
	Original		Final	 Actual	Fina	il Budget
Revenues:				 		
Intergovernmental	\$ 6,621	\$	6,621	\$ 5,891	\$	(730)
Interest income	913		913	242		(671)
Total revenues	 7,534		7,534	 6,133		(1,401)
Expenditures:						
Current						
Judicial	7,534		4,005	-		4,005
Total expenditures	 7,534		4,005	 -		4,005
Excess of revenues over expenditures	 		3,529	 6,133		2,604
Other financing uses						
Transfers out	_		(3,529)	(3,530)		(1)
Total other financing uses	 		(3,529)	 (3,530)		(1)
Net change in fund balance	-		-	2,603		2,603
Fund balance, beginning of year	117,339		117,339	 117,339		-
Fund balance, end of year	\$ 117,339	\$	117,339	\$ 119,942	\$	2,603

JUVENILE SUPPLEMENTAL SERVICES SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Bud	lget				Vari	iance with
	 Original		Final		Actual	Final Budget	
Revenues:							
Fines and forfeitures	\$ 1,516	\$	47,503	\$	47,503	\$	- ,
Interest income	 1,000		617		616		(1)
Total revenues	 2,516		48,120	-	48,119		(1)
Expenditures:							
Current							
Judicial	 2,516		48,120		3,476		44,644
Total expenditures	 2,516		48,120		3,476	**********	44,644
Net change in fund balance	-		-		44,643		44,643
Fund balance, beginning of year	 316,050		316,050		316,050		-
Fund balance, end of year	\$ 316,050	\$	316,050	\$	360,693	\$	44,643

MULTIPLE GRANT SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Bud	lget			Vai	riance with
	 Original		Final	 Actual	Fir	nal Budget
Revenues:	 					
Intergovernmental	\$ 184,701	\$	392,539	\$ 381,304	\$	(11,235)
Contributions	-		27,000	27,000		-
Interest income	-		1	1		-
Other revenues			25,754	 25,753		(1)
Total revenues	 184,701		445,294	434,058		(11,236)
Expenditures:						
Current						
Public safety	69,613		208,323	82,249		126,074
Judicial	68,497		166,933	148,661		18,272
Health and welfare	159,429		219,808	195,196		24,612
Total expenditures	 297,539		595,064	 426,106		168,958
Excess (deficiency) of revenues over expenditures	 (112,838)		(149,770)	 7,952		157,722
Other financing sources (uses)						
Transfers in	112,838		163,503	143,360		(20,143)
Transfers out	-		(13,733)	(13,550)		183
Total other financing sources (uses)	112,838		149,770	129,810		(19,960)
Net change in fund balance	-		-	137,762		137,762
Fund balance (deficit), beginning of year	 (137,762)		(137,762)	 (137,762)		
Fund balance (deficit), end of year	\$ (137,762)	\$	(137,762)	\$ 	\$	137,762

SHERIFF'S PROGRAMS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		Buc	lget			Vari	ance with
	Ori	iginal	· · · · · · · · · · · · · · · · · · ·	Final	 Actual	Fin	al Budget
Revenues:							
Other revenues	\$		\$	1,725	\$ 1,724	\$	(1)
Total revenues				1,725	 1,724		(1)
Expenditures:							
Current							
Public safety		_		6,360	1,671		4,689
Total expenditures		<u> </u>		6,360	 1,671		4,689
Excess (deficiency) of revenues over expenditures		-		(4,635)	53		4,688
Other financing sources							
Transfers in		-		4,633	4,632		(1)
Total other financing sources		-		4,633	 4,632		(1)
Net change in fund balance		-		(2)	4,685		4,687
Fund balance, beginning of year		-			 -		-
Fund balance, end of year	\$		\$	(2)	\$ 4,685	\$	4,687

DRUG ABUSE TREATMENT EDUCATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

			dget				ance with
		Original		Final	 Actual	Fina	al Budget
Revenues:							
Fines and forfeitures	\$	56,950	\$	66,802	\$ 72,603	\$	5,801
Interest income		200		267	267		-
Total revenues		57,150		67,069	 72,870		5,801
Expenditures:							
Current		rm 4 ra		00.504	07 075		5 000
Health and welfare		57,150		33,561	 27,675		5,886
Total expenditures	-	57,150		33,561	 27,675		5,886
Excess of revenues over expenditures		-		33,508	 45,195		11,687
Other financing uses							
Transfers out		-		(33,508)	 (33,507)		1
Total other financing uses		-		(33,508)	(33,507)		1
Net change in fund balance		J		-	11,688		11,688
Fund balance, beginning of year		129,704		129,704	 129,704		_
Fund balance, end of year	\$	129,704	\$	129,704	\$ 141,392	\$	11,688

DARE PROGRAM SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

			lget				ance with
		Original		Final	 Actual	Fina	al Budget
Revenues:							
Contributions	\$	8,500	\$	-	\$ 3,017	\$	3,017
Interest income		2		2	 -		(2)
Total revenues		8,500		-	 3,017	<u> </u>	3,017
Expenditures:							
Current							
Public safety		8,502		15,868	13,745		2,123
Total expenditures		8,502		15,868	 13,745		2,123
Deficiency of revenues over expenditures		(2)		(15,868)	(10,728)		5,140
Other financing sources							
Transfers in		_		12,849	12,848		(1)
Total other financing sources	•	-		12,849	 12,848		(1)
Net change in fund balance		(2)		(3,019)	2,120		5,139
Fund balance, beginning of year		8,168		8,168	 8,168		
Fund balance, end of year	\$	8,166	\$	5,149	\$ 10,288	\$	10,277

CRIME VICTIM'S ASSISTANCE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	 Buc	dget			Variance with		
	 Original		Final	Actual	Final Budget		
Revenues;	 			 			
Intergovernmental	\$ 134,282	\$	239,173	\$ 116,433	\$	(122,740)	
Interest income	2,200		2,200	1,129		(1,071)	
Total revenues	 136,482		241,373	117,562		(123,811)	
Expenditures:							
Current							
Judicial	241,373		112,189	103,330		8,859	
Total expenditures	 241,373		112,189	103,330		8,859	
Excess (deficiency) of revenues over expenditures	 (104,891)		129,184	 14,232		(114,952)	
Other financing uses							
Transfers out	-		(129,184)	(15,635)		113,549	
Total other financing uses	_		(129,184)	 (15,635)		113,549	
Net change in fund balance	(104,891)		-	(1,403)		(1,403)	
Fund balance, beginning of year	 231,522		231,522	 231,522		_	
Fund balance, end of year	\$ 126,631	\$	231,522	\$ 230,119	\$	(1,403)	

SEIZED DRUG SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	 Buc	dget		Var	iance with		
	 Original			 Actual	Final Budget		
Revenues:	 						
Other income	\$ 50,000	\$	50,000	\$ -	\$	(50,000)	
Total revenues	50,000		50,000	 -	-	(50,000)	
Expenditures:							
Current							
Public safety	 50,000		50,000	 -		50,000	
Total expenditures	 50,000		50,000	 		50,000	
Net change in fund balance	-		-	-		-	
Fund balance, beginning of year	 1,681		1,681	1,681			
Fund balance, end of year	\$ 1,681	\$	1,681	\$ 1,681	\$	-	

INMATE COMMISSARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		Buc	dget			ance with	
		Original		Final	 Actual	Fin:	al Budget
Revenues:			•				
Charges for services	\$	23,000	\$	41,771	\$ 41,771	\$	
Interest income		2,000		22	22		
Other revenue		-		9,869	9,869		
Total revenues		25,000		51,662	51,662		
Expenditures:							
Current							
Public safety		25,000		43,295	12,181		31,11
Total expenditures		25,000		43,295	 12,181		31,11
Excess of revenues over expenditures				8,367	 39,481	<u></u>	31,11
Other financing sources (uses)							
Transfers in		_		150	150		
Transfers out		_		(8,517)	(8,516)		
Total other financing sources (uses)		-		(8,367)	 (8,366)		
Net change in fund balance		•		-	31,115		31,11
und balance, beginning of year	***************************************	184,085		184,085	184,085		
Fund balance, end of year	\$	184,085	\$	184,085	\$ 215,200	\$	31,11

DA FORFEITURE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		Buc	dget			Var	riance with
	Original		Final		 Actual	Fir	nal Budget
Revenues:							
Fines and forfeitures	\$	9,000	\$	19,102	\$ 9,419	\$	(9,683)
Interest income		1,550		8,872	254		(8,618)
Other revenue		17,800		49,662	 -		(49,662)
Total revenues		28,350		77,636	 9,673		(67,963)
Expenditures:		•					
Current							
Judicial		28,350		69,243	69,148		95
Total expenditures		28,350		69,243	 69,148		95
Excess (deficiency) of revenues over expenditures			·	8,393	 (59,475)		(67,868)
Other financing uses							
Transfers out		<u> </u>		(8,393)	 (8,393)		-
Total other financing uses				(8,393)	 (8,393)		
Net change in fund balance		-		-	(67,868)		(67,868)
Fund balance, beginning of year		80,396		80,396	80,396		
Fund balance, end of year	\$	80,396	\$	80,396	\$ 12,528	\$	(67,868)

FORFEITED FEDERAL DRUG SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		Bud	dget			Varia	ance with
			Final	 Actual	Final Budget		
Revenues:							
Intergovernmental	\$	1,300	\$	16,500	\$ 16,405	\$	(95)
Interest income		<u> </u>		25	 20_		(5)
Total revenues		1,300		16,525	 16,425		(100)
Expenditures:							
Current							
Public safety		1,300		16,525	8,000		8,525
Total expenditures		1,300		16,525	 8,000		8,525
Net change in fund balance		-		-	8,425		8,425
Fund balance, beginning of year		6,776		6,776	 6,776		
Fund balance, end of year	\$	6,776	\$	6,776	\$ 15,201	\$	8,425

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		Bud	iget			Var	iance with
		Original		Final	 Actual	Final Budget	
Revenues:							•
Sales taxes	\$	10,192,432	\$	9,188,530	\$ 9,166,127	\$	(22,403)
Interest income		22,300		8,544	 8,544		
Total revenues		10,214,732		9,197,074	 9,174,671		(22,403)
Expenditures:							
Debt service:							
Principal retirement		11,571,416		11,571,416	11,513,229		58,187
Interest and fiscal charges		1,930,670		1,930,670	 1,893,967		36,703
Total expenditures		13,502,086		13,502,086	 13,407,196		94,890
Deficiency of revenues over expenditures		(3,287,354)		(4,305,012)	 (4,232,525)	****	72,487
Other financing sources							
Transfers in		3,287,354		4,305,012	4,217,497		(87,515)
Total other financing sources		3,287,354		4,305,012	 4,217,497		(87,515)
Net change in fund balance		-		-	(15,028)		(15,028)
Fund balance, beginning of year	·····	5,258,915		5,258,915	 5,258,915		_
Fund balance, end of year	\$	5,258,915	\$	5,258,915	\$ 5,243,887	\$	(15,028)

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2001 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Project</u>	Original Estimated Cost		 Current Estimated Cost	Prior Years		Current Year		Total	
Judicial administration building Jail addition Recreation facilities Road projects	\$	17,785,000 9,938,000 7,660,000 8,317,000	\$ 17,785,000 9,938,000 7,660,000 8,317,000	\$	15,930,108 8,963,082 6,925,236 4,234,682	\$	11,491 31,245 - 36,634	\$	15,941,599 8,994,327 6,925,236 4,271,316
Total 2001 SPLOST	\$	43,700,000	\$ 43,700,000	\$	36,053,108	\$	79,370	\$	36,132,478

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2007 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
110,000			10010	1041	10001
Walton County					
E911 towers and radio	\$ 11,000,000	\$ 11,000,000	\$ 9,882,934	\$ 15,203	\$ 9,898,137
Water and sewer improvements	12,500,000	12,500,000	7,269,224	186,023	7,455,247
Roads and bridges	18,400,000	18,400,000	9,557,396	1,238,654	10,796,050
Parks and recreation facilities	15,400,000	15,400,000	6,705,649	4 500 050	6,705,649
Public safety improvements	12,200,000	12,200,000	4,437,325	1,588,058	6,025,383
Senior citizens center upgrades Animal control	1,000,000 700,000	1,000,000 700,000	274,588	205 740	274,588 633,068
Total Walton County	71,200,000	71,200,000	267,319 38,394,435	365,749 3,393,687	41,788,122
City of Monroe				•	- 8
Transportation, drainage and sidewalks	9,136,000	9,136,000	4,474,426	560,787	5,035,213
Public safety improvements	2,500,000	2,500,000	-		-
Solid waste improvements	1,500,000	1,500,000	-	-	-
Water and sewer improvements	4,060,000	4,060,000	-	-	-
Airport improvements	1,500,000	1,500,000	-	-	-
Electric, CATV and fiber improvements	1,500,000	1,500,000			<u> </u>
Total City of Monroe	20,196,000	20,196,000	4,474,426	560,787	5,035,213
City of Loganville					
Transportation, drainage and sidewalks	4,212,000	4,212,000	1, 571,568	362,517	1,934,085
Water and sewer upgrades	2,520,000	2,520,000	-	-	
Total City of Loganville	6,732,000	6,732,000	1,571,568	362,517	1,934,085
City of Social Circle					
Transportation, drainage and sidewalks	3,536,000	3,536,000	2,933,144	323,166	3,256,310
Public safety improvements	1,500,000	1,500,000		•	-
Cemetery and park improvements	200,000	200,000		· · · · · · · · · · · · · · · · · · ·	
Total City of Social Circle	5,236,000	5,236,000	2,933,144	323,166	3,256,310
City of Walnut Grove					
Transportation, drainage and sidewalks	2,340,000	2,340,000	1,959,086	-	1,959,086
Public safety facilities	950,000	950,000	-	-	-
Library building project	450,000	450,000			
Total City of Walnut Grove	3,740,000	3,740,000	1,959,086		1,959,086
City of Good Hope	400.000	100.000	an		
Transportation, drainage and sidewalks	468,000	468,000	231,026	1,500	232,526
Administration facility improvements	280,000	280,000	-	4.500	-
Total City of Good Hope	748,000	748,000	231,026	1,500	232,526
City of Jersey					
Transportation, drainage and sidewalks	234,000	234,000	4,870	-	4,870
Water and sewer improvements	140,000	140,000		-	-
Total City of Jersey	374,000	374,000	4,870		4,870
City of Between	p=	a=: az=			
Administration facilities	374,000	374,000			_
Total City of Between	374,000	374,000	-		
Total 2007 SPLOST	\$ 108,600,000	\$ 108,600,000	\$ 49,568,555	\$ 4,641,657	\$ 54,210,212

INTERNAL SERVICE FUNDS

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

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

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

COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS JUNE 30, 2011

	Health Benefits	Workers Compensation	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 301,418	\$ 683,877	\$ 985,295
Investments	1,093,180	-	1,093,180
Accounts receivable	330,011	3,138	333,149
Interest receivable	3	6	9
Due from other funds	-	18,031	18,031
Prepaids	2,239	99,495	101,734
Total assets	1,726,851	804,547	2,531,398
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	285	18,420	18,705
Claims payable - current portion	1,961,066	466,060	2,427,126
Total current liabilities	1,961,351	484,480	2,445,831
NONCURRENT LIABILITIES			
Claims payable - long-term portion	<u>.</u>	371,373	371,373
Total long term liabilities	-	371,373	371,373
Total liabilities	1,961,351	855,853	2,817,204
NET DEFICIT			
Unrestricted	(234,500)	(51,306)	(285,806)
Total net deficit	\$ (234,500)	\$ (51,306)	\$ (285,806)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Health Benefits	Workers Compensation	Total
OPERATING REVENUES			
Charges to other funds	\$ 7,962,048	\$ 409,542	\$ 8,371,590
Total operating revenues	7,962,048	409,542	8,371,590
OPERATING EXPENSES			
Administrative	641,600	•	641,600
Claims	7,526,303	272,547	7,798,850
Fiduciary fees	2,772	2,338	5,110
Insurance	26,904_	185,996	212,900
Total operating expenses	8,197,579	460,881	8,658,460
Operating loss	(235,531)	(51,339)	(286,870)
NONOPERATING REVENUES			
Interest income	1,031	33	1,064
Total nonoperating revenues	1,031	33	1,064
Change in net assets	(234,500)	(51,306)	(285,806)
NET ASSETS, beginning of year		-	
NET (DEFICIT), end of year	\$ (234,500)	\$ (51,306)	\$ (285,806)

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

CASH ELOWIS EDOM ODEDATING ACTIVITIES		Health Benefits		Workers mpensation		Total
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from interfund activity	\$	8,235,620	\$	1,032,485	\$	9,268,105
Payments to suppliers	Ψ	(7,328,128)	*	(414,840)	•	(7,742,968)
Net cash provided by operating activities		907,492		617,645		1,525,137
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments		(651,135)		-		(651,135)
Interest received		1,031		27		1,058
Net cash provided by (used in) investing activities		(650,104)		27		(650,077)
Net increase in cash and cash equivalents		257,388		617,672		875,060
Cash and cash equivalents:						
Beginning of year	·	44,030		66,205		110,235
End of year	\$	301,418	\$	683,877	\$	985,295
Reconciliation of operating loss to net cash provided by						
operating activities:						
Operating loss	\$	(235,531)	\$	(51,339)	\$	(286,870)
Adjustments to reconcile operating loss to net cash provided by operating activities						
Increase in accounts receivable		(191,163)		(3,138)		(194,301)
Decrease in due from other funds		464,735		626,081		1,090,816
(Increase) decrease in prepaids		34		(7,017)		(6,983)
Increase in accounts payable		9		5,770		5,779
Increase in claims payable		869,408		47,288		916,696
Net cash provided by operating activities	\$	907,492	\$	617,645	\$	1,525,137

AGENCY FUNDS

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

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

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

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

Clerk of Superior Court
Probate Court
Magistrate Court
Juvenile Court

COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS JUNE 30, 2011

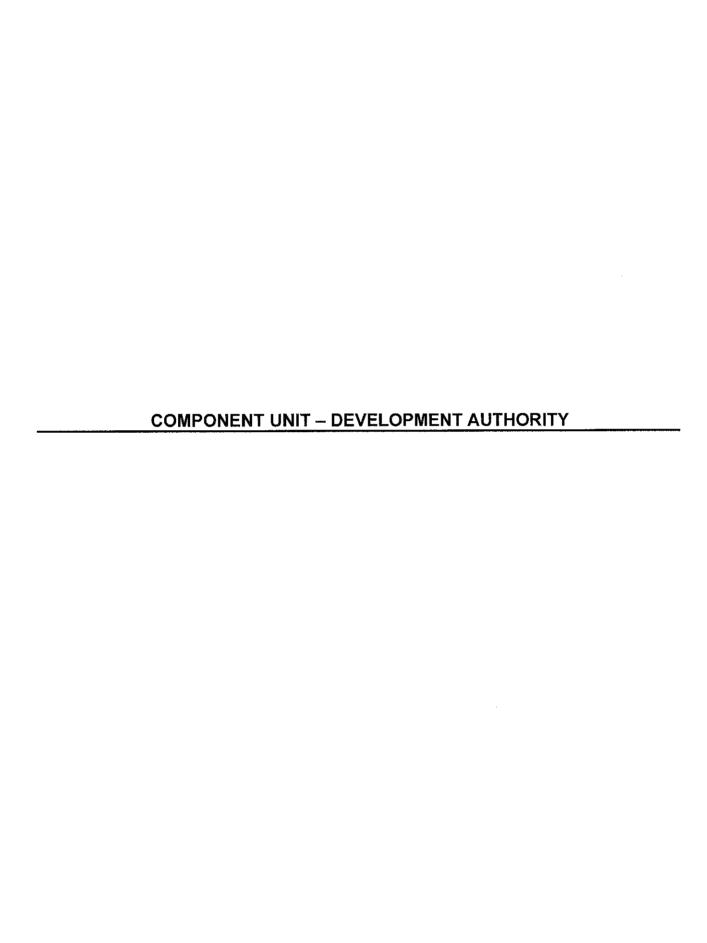
ASSETS	Co	Tax mmissioner	Clerk of perior Court	 Probate Court	M	agistrate Court	-	ivenile Court	;	Sheriff	Total
Cash and cash equivalents Taxes receivable	\$	1,117,559 2,509,579	\$ 501,454	\$ 49,337	\$	30,760	\$	621 	\$	4,714	\$ 1,704,445 2,509,579
Total assets	\$	3,627,138	\$ 501,454	\$ 49,337	\$	30,760	\$	621	\$	4,714	\$ 4,214,024
LIABILITIES											
Due to others Uncollected taxes	\$	1,117,559 2,509,579	\$ 501,454	\$ 49,337 -	\$	30,760	\$	621 	\$	4,714 -	\$ 1,704,445 2,509,579
Total liabilities	\$	3,627,138	\$ 501,454	\$ 49,337	\$	30,760	\$	621	\$	4,714	\$ 4,214,024

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Tax Commissioner				
ASSETS				
Cash	\$ 822,600	\$ 86,851,847	\$ (86,556,888)	\$ 1,117,559
Taxes receivable	3,418,324	28,444,493	(29,353,238)	2,509,579
Total assets	\$ 4,240,924	\$ 115,296,340	\$ (115,910,126)	\$ 3,627,138
LIABILITIES				
Due to others	\$ 822,600	\$ 86,851,847	\$ (86,556,888)	\$ 1,117,559
Uncollected taxes	3,418,324	28,444,493	(29,353,238)	2,509,579
Total liabilities	\$ 4,240,924	\$ 115,296,340	\$ (115,910,126)	\$ 3,627,138
Clerk of Superior Court				
ASSETS				
Cash	\$ 1,355,523	\$ 3,065,030	\$ (3,919,099)	\$ 501,454
Total assets	\$ 1,355,523	\$ 3,065,030	\$ (3,919,099)	\$ 501,454
LIABILITIES				
Due to others	\$ 1,355,523	\$ 3,065,030	\$ (3,919,099)	\$ 501,454
Total liabilities	\$ 1,355,523	\$ 3,065,030	\$ (3,919,099)	\$ 501,454
Probate Court				
ASSETS				
Cash	\$ 50,727	\$ 1,252,560	\$ (1,253,950)	\$ 49,337
Total assets	\$ 50,727	\$ 1,252,560	\$ (1,253,950)	\$ 49,337
LIABILITIES				
Due to others	\$ 50,727	\$ 1,252,560	\$ (1,253,950)	\$ 49,337
Total liabilities	\$ 50,727	\$ 1,252,560	\$ (1,253,950)	\$ 49,337
(Continued)				

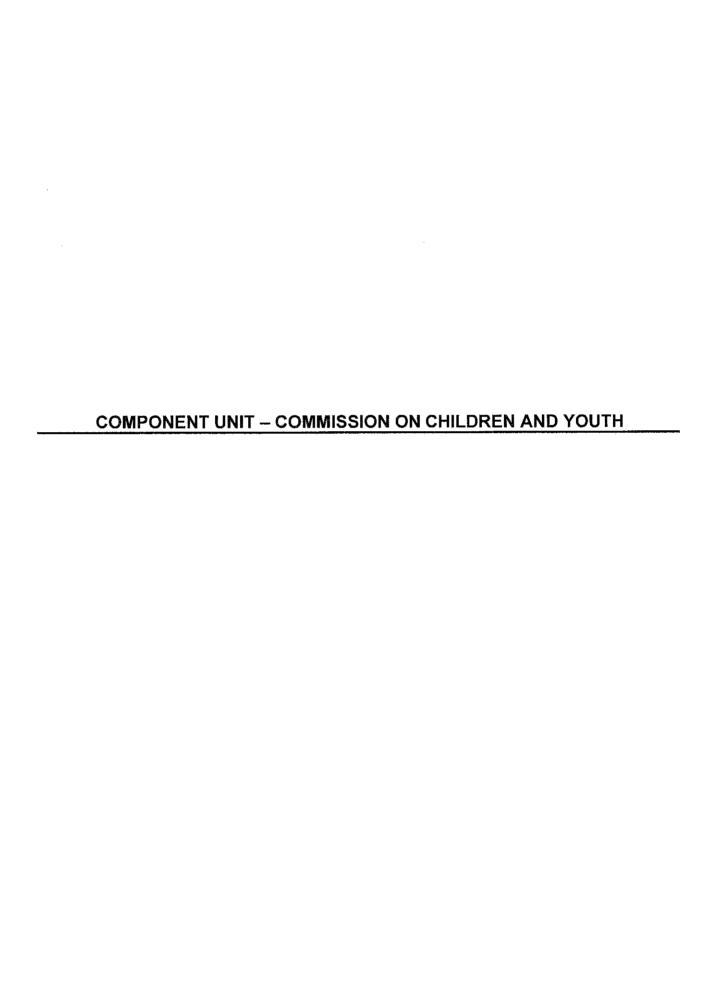
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

		Salance July 1, 2010	<u>Ir</u>	ıcreases	J	alance une 30, 2011	
Magistrate Court							
ASSETS							
Cash	\$	35,280	\$	761,792	\$ (766,312)	\$	30,760
Total assets	\$	35,280	\$	761,792	\$ (766,312)	\$	30,760
LIABILITIES							
Due to others	\$	35,280	\$	761,792	\$ (766,312)	\$	30,760
Total liabilities	\$	35,280	\$	761,792	\$ (766,312)	\$	30,760
Juvenile Court	•						
ASSETS							
Cash	\$	990	\$	13,167	\$ (13,536)	\$	621
Total assets	\$	990	\$	13,167	\$ (13,536)	\$	621
LIABILITIES							
Due to others	\$	990	\$	13,167	\$ (13,536)	\$	621
Total liabilities	\$	990	\$	13,167	\$ (13,536)	\$	621
<u>Sheriff</u>							
ASSETS							
Cash	\$	5,959	\$	955,187	\$ (956,432)	\$	4,714
Total assets	\$	5,959	\$	955,187	\$ (956,432)	\$	4,714
LIABILITIES							
Due to others	\$	5,959	\$	955,187	\$ (956,432)	\$	4,714
Total liabilities	\$	5,959	\$	955,187	\$ (956,432)	\$	4,714



STATEMENT OF CASH FLOWS COMPONENT UNIT - DEVELOPMENT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2011

CARLELOWS FROM ORFRATING ACTIVITIES		
CASH FLOWS FROM OPERATING ACTIVITIES	\$	687,250
Receipts from customers and users	Ψ	(601,091)
Payments to suppliers Payments to employees		(111,147)
Payments to employees		(111,141)
Net cash used in operating activities	***************************************	(24,988)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisitions of capital assets		(241,881)
Proceeds from sale of capital assets		467,338
Net cash provided by capital and related financing activities		225,457
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		2,984
Net cash provided by investing activities		2,984
Net increase in cash and cash equivalents		203,453
Cash and cash equivalents:		
Beginning of year		211,016
End of year	\$	414,469
Reconciliation of operating loss to net cash used in		
operating activities:		
Operating loss	\$	(26,067)
Adjustments to reconcile operating loss to net cash used in		
operating activities		
Depreciation		1,182
Change in assets and liabilities:		
Increase in prepaid expenses		(1)
Decrease in accrued liabilities		(102)
Net cash used in operating activities	\$	(24,988)



BALANCE SHEET COMPONENT UNIT - COMMISSION ON CHILDREN & YOUTH JUNE 30, 2011

ASSETS Cash Due from primary government	\$ 149,813 17,966
Total assets	\$ 167,779
LIABILITIES AND FUND BALANCE LIABILITIES Accounts payable	\$ 1,024
Total liabilities	1,024
FUND BALANCE Unreserved	166,755
Total liabilities and fund balance	\$ 167,779

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPONENT UNIT - COMMISSION ON CHILDREN & YOUTH FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues	
Intergovernmental	\$ 69,350
Charges for services	25,184
Total revenues	94,534
Expenditures Health and welfare	96,053
Total expenditures	96,053
Net change in fund balance	(1,519)
Fund balance, beginning of year	168,274
Fund balance, end of year	\$ 166,755

STATISTICAL SECTION

This part of Walton County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Page</u>
Financial Trends98-103
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
Revenue Capacity104-109
These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.
Debt Capacity110-114
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.
Demographic and Economic Information115 and 116
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
Operating Information117-119
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

NET ASSETS BY COMPONENT Last Ten Fiscal Years (accrual basis of accounting)

activities state assets, net of related debt \$ 48,629,979 \$ 3,677,275 3,677,275 9,100,372 stral activities net assets \$ 61,407,626 \$ activities activities state assets, net of related debt \$ 754,805 \$ activities	47,680,224 \$ 33,205,084 \$ 79,560,401		The second secon	2007	2007	2003	2010	2011
ts, net of related debt \$ 48,629,979 \$ \$ 40,77,275 \$ 400,372 \$ 410	30,224 \$ 33,205,084				:			
3,677,275 4,052,880 9,100,372 13,415,904 wities net assets <u>\$ 61,407,626</u> <u>\$ 65,149,006</u> its, net of related debl \$ 754,805 \$ 838,297		\$ 79,560,401	\$ 629'068'08 \$	\$ 89,275,978	\$ 90,713,448	\$ 89,664,056 \$	\$ 85,913,569	\$ 90,801,446
9,100,372 13,415,904 withes net assets \$ 61,407,626 \$ 65,149,008 its, net of related deb1 \$ 754,805 \$ 838,297		541,595	7,468,310	28,816,979	8,903,723	5,348,476	5,343,022	18,694,711
#iles net assets	5.904 41,987,773	4,391,120	13,427,017	553,044	22,727,375	24,365,511	25,598,720	11,893,449
ts, net of related debl \$ 754,805 \$ 838,297		\$ 84.493.116	\$ 101,786,006	\$ 118,646,001	\$ 122.344.546	\$ 119,378,043	\$ 116,855,311	\$ 121,389,606
its, net of related debl \$ 754,805 \$ 838,297								
100000000000000000000000000000000000000		\$ 1.029.104	\$ 1.016.106	28.786.737	\$ 23.584.893	\$ 24,915,940 \$	\$ 33,376,233	\$ 35,965,437
110		•	•	3.168.528	8,474,648	7,751,281		6,961,893
Unrestricted 101,355 (245,641 (245.641 180.401	233,100	162,561	6,537,085	8,149,911	8,633,228	28,352,560	28,959,419
type activities net assets \$ 856,160 \$ 1	1	1.262.204	\$ 1.178,667	\$ 38,492,350 \$		40,209,452 \$ 41,300,449 \$ 69,327,540	\$ 69.327.540	\$ 71.886,749
	The state of the s							
ssets, net of related debt \$ 49,384,784 \$	48,518,521 \$ 34,114,865 \$ 80,589,505	\$ 80,589,505	\$ 81,906,785	\$ 118,062,715	81,906,785 \$ 118,062,715 \$ 114,298,341 \$ 114,579,996 \$ 119,289,802 \$ 126,766,883	\$ 114,579,996	\$ 119,289,802	\$ 126,766,883
3.677.275	52,880 514,089	541,595	7,468,310	31,985,507	17,378,371	13,099,757	12,941,769	25,656,604
Unrestricted 9.201.727 13.661.545	31,545 42,168,174	4,624,220	13,589,578	7,090,129	30,877,286	32,998,739	53,951,280	40,852,868
Total primary governmetrial activities net assets \$ 62,263,786 \$ 66,232,946 \$	32,946 \$ 76,797,128	1 \$ 85,755,320 \$ 102,964,673 \$ 157,138,351	\$ 102.964.673	\$ 157,138,351	\$ 162,553,998	\$ 160.678 492 \$ 186.182.851 \$ 193.276.355	\$ 186,182,851	\$ 193.276.355

Data Source: Audited Financial Statements

CHANGES IN NET ASSETS Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

EXPENSES	2002	2003	2004	1.	2005	20	906	2007	L	2008	2009	<u> </u>	2010		2011	
Government activities:					:						l	1_			7	
General Government	\$ 4,695	\$ 5,25			\$ 7,785		6,470	\$ 7,738	\$	7,736	\$ 8,474	\$	7,199	\$	7,442	
Judicial	3,170	3,20			3,708		3,838	4,354	}	4,541	4,937		4,904		5,148	
Public Safety	12,773	14,25			15,418		15,922	19,065		19,477	20,739	1	21,439		21,703	743
Public Works	3,247	5,08			4,823		6,318	5,891		14,528	13,627	1	12,065		8,832 1,030	(1)
Health and Welfare	465	824		93	503		821	2,190	1	1,127	1,250	1	1,232 1,454		1,438	
Housing & Development	1,291	1,23		89	1,411		2,183	2,445		2,294	1,508					
Culture & Recreation	639	1,33			2,079		2,315	2,763		3,133	3,855		3,942		3,868	
Interest on Long-Term Debt	1,057	1,25			967	ļ <u>-</u>	697	1,358	₩	2,390	1,989	+	1,922		1,320	
Total government activities expenses	27,337	32,44	34,8	79	36,694	1 3	38,564	45,804	┿	55,226	56,379	+	54,157		50,781	
Business-type activities																
Water and Sewer	-	-	1 .	.	-		-	7,827		9,938	8,990		7,973		7,492	
EMS	1,667	1,63	3 1,€	48	2,120		1,952	2,390		2,760	2,719		2,777		2,787	
Solid Waste	950	87		57	902		930	1,042	_	1,092	1,103	ļ.,	1,145	<u> </u>	1,157	
Total business-type activities	2,617	2,51	5 2,6	05	3,022		2,882	11,259	-	13,790	12,812	┾	11,895	 	11,436	
Total primary government expenses	\$ 29,954	\$ 34,96	3 \$ 37,4	84	\$ 39,716	.\$ 4	11,446	\$ 57,063	\$	69,016	\$ 69,191	\$	66,052	\$	62,217	,
PROGRAM REVENUES			ļ	ı												
Charges for services:		ļ				1			l			1				
General Government	\$ 1,002	\$ 1,25	1 \$ 1,4	72	\$. 1,583	\$	1,751	\$ 2,065	\$	2,183	\$ 2,547	\$	2,538	\$	2,600	
Judicial	2,150	2,02	1 1,8	90	1,898		2,323	2,015	1	2,016	1,497	1	1,366		1,211	
Public Safety	1,421	1,69	9 1,9	111	1,974		2,477	1,928		2,222	2,290		2,021		2,163	
Public Works	17	5	5	45	54		-	14	1	4	476	1	1,031		1,134	
Health and Welfare	15	-	1	18	17		146	189		-	-	1	63	1	81	
Housing & Development	783	79		82	1,155		1,378	2,186	1	542	415		77	1	64	
Culture & Recreation		23	4 :	04	160	İ	847	340		603	704	1	872		856	
Total charges for services:	5,388	6,05	6,	22	6,841		8,922	8,737	1,	7,570	7,929		7,968		8,109	
Operating grants and contributions	1,850	43	1 :	98	300		911	1,391		527	774		698		649	
Capital grants and contibutions	220	1,83	1 5,3	92	2,417		3,497	5,592		1,124	18		1,060	<u> </u>	288	
Total governmental activities program revenues	7,458	8,32	12,9	12	9,558	1	13,330	15,720		9,221	8,721		9,726		9,046	,
Business type activities:																
Charges for services:				- 1				7,946	ł	7,691	7,332	1	8,382		8,720	
Water	4 000	1 40	. ا	200	4 600	1	1 1 1 1 1			1,130	1,535		1,123		1,555	
EMS	1,223	1,19		32	1,633		1,141	1,463			435		606		567	
Solid Waste	250	32		48	372	1	450	505	1	504	435		000			
Operating grants and contributions	74	9	a [34	-		-	0.705		489	-		899		894	
Capital grants and contibutions	120			-	0.005	ļ	7 504	3,735	+		9,302	+	11,010	┼—	11,736	
Total business-type activities program revenues Total primary government program revenues	1,667 \$ 9,125	1 62 \$ 9,94		14	2,005 \$ 11,563	\$ 1	1,591 14,921	\$ 29,369		9,814 19,035			20,736	\$	20,782	
		Ι" "	1													
Net (expenses)/revenue Governmental activities	\$ (19,879)	\$ (24,12	8) \$ (21,5	967)	\$ (27,136)	s (2	25,234)	\$ (30,084) \$	(46,005)	\$ (47,658) \$	(44,431)	\$	(41,735)	
Business-type activities	(950)	(89			(1,017)		(1,291)	2,390		(3,976)	(3,510		(885)		300	
Total primary government net expense	\$ (20,829)			58)			26,525)			(49,981)			(45,316)	\$	(41,435)	
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS		Ì							1]		
Governmental Activities:														1		
		1										1				
Taxes	\$ 17,186	\$ 16,90	5 \$ 19,4	110	\$ 20,819	\$ 2	22,258	\$ 24,818	\$	28,255	\$ 28,063	\$	30,445	\$	30.432	
Property taxes		10,01			13,470		16,506	17,467		16,376	14,497		15,083	*	14.761	
Sales taxes Insurance premium taxes	7,016 1,287	1,42		24	1,649		1,762	1,846		1,941	1,988		1,960		1,906	
	1,248	1,42		69	1,486		1,744	1,755		1,484	1,257	1	812		833	
Other Taxes	26,737	29.74			37,424	1	42,270	45,886		48,056	45,805	+-	48,300	1	47,932	•
Total taxes	20,731	23,14	, l 24,		51,727	1	1,337	1,391		-10,000	1,540		97		,	
Unrestricted grants and contributions	40	36	، ا،	505	1,047	1	1,001	1,001	l	_	1,040					
Intergovernmental revenue Other	177	22	/	117	142	1	_	l _		_	l .		261		245	
	565	56		64	446	1	953	2,797	.	3,519	1,076		-		68	
Unrestricted investment earnings Gain (loss) on sales of capital assets	(116)	1		71	-	1	14	2,107			1 .,		78			
	(1,161)			187)	(1.082)		(1,205)	(1,461	١.	(2,598)	(3,730	ام	(6,828)	ı	(1,976)	
Transfers Total governmental activities	26,242				37,977	_	43,369	48,613	-	48,977	44,691		41,908	1	46 269	
					· · · · · ·						1					
Business-type activities:			ا ا	. 1			2	382		2,760	872	.	203		53	
Investment earnings	1		1	1	1	1	2	- 302		2,700	012	١.	1,043		230	
Other revenues			~	ا ۾ -	-	1	-	-		•	į		1,045	1	200	
Gain on sale of assets	(2)		5)	9	4 400	1	4 205	1 464		2,598	3,730	.	6,828	1	1,976	
Transfers	1,161	1,11	3 1,	187	1,188	1	1,205	1,461 33,081		2,590	3,730	'	0,020		1,010	
Special Item - Capital Contributions Total business-type activities	1,160	1,12	2 1	197	1,189	 	1,207			5,358	4,602	-	8,074	t	2,259	
•											Ī					_
Total primary governement	\$ 27,402	\$ 30,90	6 \$ 36,)51	\$ 39,166	\$	44,576	\$ 83,537	\$	54,335	\$ 49,293	\$	49,982	\$	48,528	•
CHANGE IN NET ASSETS Governmental activities	\$ 6,363	\$ 5,65	6 \$ 12,	387	\$ 10,841	s	18,135	\$ 18,529	\$	2,972	\$ (2,967	3 4	(2,523)	8	4,534	
Governmental activities Business-type activities	\$ 6,363	22		6	3 10,541 172	*	(84)			1,382	1,092		7,189		2,559	
	\$ 6,573				\$ 11,013	4	18,051			4,354			4,666	\$	7,093	•
Total primary government	9 0,075	1 A 2'00	~ w +2,		4 11,010	1 *	.0,001	J 22,040	1 *	,007	1 (1,510	/ I Ψ	,,000		.,555	

Data Source: Audited Financial Statements
(1) Significant decline is related to a decrease in intergovernmental expenses related to the 2007 SPLOST Fund

FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years (modified accrual basis of accounting)

		2002	20	2003	2004		2005		2006	2007	2008	2009	2010	20	2011
General fund									-						
Nonspendable	69		₩.	,	s)	()	1	€>	,	· ·	, &	ı €9	, 69	დ დ	332,945
Assigned		ı		ı		,	٠		•		1		,	6,2	6,294,453
Unassigned		,		•		,	1		1	•	1	1	1	14,8	14,828,182
Reserved		688,574		37,587	79,	79,540	82,557		•	93,983	203,423	161,057	239,843		
Unreserved		6,108,279	3,8	,885,134	5,753,024	024	6,769,667		12,993,481	17,599,673	20,126,127	21,305,694	22,824,783		
Total general fund	₩	6,796,853	69	5,922,721	\$ 5,832,564	Н	\$ 6,852,224	↔	12,993,481	\$ 17,693,656	\$ 20,329,550	\$ 21,466,751	\$ 23,064,626	\$ 21,4	455,580
All other governmental funds															
Nonspendable	69		₩	,	↔	<i>₩</i>	,	49	•	, 60	, (7)	· 69	· 69	⇔	21,932
Restricted		1		ı			ı		'	•	1	1	1	18,6	18,694,711
Committed		1		ı			1		1	ı	1	1	ì	4	463,953
Reserved		1		ı		,			5,643,135	70,369,621	58,521,430	36,779,653	22,477,885		1
Unreserved, reported in :															
Special revenue funds		1,175,169	<u></u>	1,192,621	753	753,271	744,090	_	840,241	1,043,373	1,303,750	1,297,855	1,367,372		
Debt service funds		464,509		456,153	509	680,605	541,495		1	•	,	ı	(95,388)		
Capital projects funds	.,	29,681,652		26,770,687	9,859,459	459	4,531,161	_	985,934	,	-		(56,721)		
Total all other governmental funds	69	31,321,330	┢	\$ 28,419,461	\$ 11,121,819		\$ 5,816,746	\$	7,469,310	\$ 71,412,994	\$ 59,825,180	\$ 38,077,508	\$ 23,693,148	\$ 19,1	19,180,596
						-									
Total reserved	₩	688,574	\$	37,587	\$ 79	79,540 \$	\$ 82,557	\$	5,643,135	\$ 70,463,604	\$ 58,724,853	\$ 36,940,710	\$ 22,717,728	မှာ	
								_							
Total unreserved	₩	37,429,609	69	34,304,595	\$ 16,874,843		\$ 12,586,413	₩.	14,819,656	\$ 18,643,046	\$ 21,429,877	\$ 22,603,549	\$ 24,040,046	69	,
Total all funds	e) €	38,118,183	69	34,342,182	\$ 16,954,383	_	\$ 12,668,970		\$ 20,462,791	\$ 89,106,650	\$ 80,154,730	\$ 59,544,259	\$ 46,757,774	\$ 40,6	\$ 40,636,176

Data Source: Audited Financial Statements Fund balance format changed in 2011 as a result of the provisions of GASB 54

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years (modified accrual basis of accounting)

			·····							
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES			;							
Taxes	\$ 26,027,403	\$30,321,241	\$ 34,801,221	\$ 37,520,783	\$ 42,248,003	\$ 45,719,807	\$ 47,844,287	\$ 44,794,165	\$ 48,126,321	\$ 48,636,167
Licenses & permits	746,512	709,131	934,040	954,246	1,793,594	1,736,390	725,568	343,592	227,959	237,616
Intergovernmental	2,007,867	3,544,619	734,263	1,111,156	2,294,357	2,517,377	635,376	2,037,334	1,638,859	993,859
Charges for services	3,197,178	1,167,459	4,393,611	3,668,940	4,855,293	4,951,533	4,367,440	2,044,463	5,751,231	6,062,943
Fines and forteitures	1,506,796	1,528,805	1,359,292	1,445,025	1,825,741	1,834,655	2,021,821	5,302,864	1,902,633	1,775,01
Interest	515,159	542,352	342,223	408,799	924,507	2,796,924	3,519,417	1,075,584	167,846	95,18
Contributions	25,906	108,545	63,211	37,396	123,964	417,588	17,602	181,474	103,423	82,54
Other	93,359	235,518	308,586	1,146,557	208,626	211,609	948,996	227,159	260,961	245,45
Total Revenues	34,120,180	38,157,670	42,936,447	46,292,902	54,274,085	60,185,883	60,080,507	56,006,635	58,179,233	58,128,78
EXPENDITURES										
General Government	4,159,374	5,218,832	7,418,145	7,366,773.	5,670,248	6,624,164	6,809,149	7,396,882	6,613,667	6,833,38
Judicial	2,927,855	2,950,680	3,521,639	3,804,31,7	3,803,217	4,213,524	4,442,352	4,686,430	4,901,904	5,094,43
Public Safety	11,766,627	13,898,054	14,704,719	14,855,607	14,795,337	16,452,780	18,017,628	18,715,114	20,816,214	20,036,20
Public Works	4,693,797	4,939,256	5,134,456	4,638,879	3,908,656	3,848,879	7,753,064	8,074,423	7,695,131	6,691,12
Health and Welfare	465,441	629,476	491,650	490,381	819,547	1,384,163	1,125,504	1,244,884	1,224,269	1,065,79
Culture & Recreation	615,112	1,403,495	1,760,775	1,911,023	1,999,165	2,475,434	2,636,610	3,149,723	3,287,364	3,128,02
Housing & Development	1,196,511	1,143,500	1,339,472	1,405,111	1,527,820	1,737,745	2,421,540	1,413,834	1,460,143	1,420,06
Intergovernmental	-	<u> </u>	-	-	650,000	1,332,099	4,454,747	3,402,578	3,234,696	1,247,97
Capital outlay	1,708,628	3,600,334	17,950,334	6,844,455	3,842,555	7,826,655	11,743,598	13,563,745	2,937,784	2,454,87
Principal on long term debt	1,730,915	6,154,051	6,695,136	7,170,823	9,070,726	4,623,463	4,463,182	8,441,887	9,944,065	11,513,22
interest	1,414,820	1,257,307	1,238,188	966,846	720,058	347,194	2,737,582	2,797,766	2,469,790	1,893,96
Issuance Costs		<u>-</u>	+	-	-	582,941		-		-
Total Expenditures	30,679,080	41,194,985	60,254,514	49,454,215	46,807,329	51,449,041	66,604,956	72,887,266	64,585,027	61,379,07
Excess (deficiency) of revenues over										
(under) expenditures	3,441,100	(3,037,315)	(17,318,067)	(3,161,313)	7,466,756	8,736,842	(6,524,449)	(16,880,631)	(6,405,794)	(3,250,28
OTHER FINANCING SOURCES (USES)										
More distribution of	67 800 000		_	_		58,915,000				-
Bond debt issued Premium on bond debt	27,880,000 421,788	-		-	[2,367,366]	[_
Proceeds from capital lease	421,700 856,970	874,726	870,680	-	1,265,000	2,007,000]]	360,412]
Sale of capital assets	104,677	674,720	184,470	[137,123	85,887	l [[87,308	
Transfers in	7,641,183	9,855,148	13,544,134	11,333,962	2,950,680	2,424,080	1,599,601	1,250,249	2,951,097	5,021,03
Transfers out	(9,302,219)	(11,468,560)	(14,731,016)	(12,415,429)		(3,885,316)	(4,197,432)	(4,980,089)	(9,779,508)	(6,996,68
Total other financing sources (uses)	27,602,399	(738,686)	(131,732)	(1,081,467)	197,538	59,907,017	(2,597,831)	(3,729,840)		(1,975,65
Total Sales Interioring Sections (Gassa)	21,002,033	(100,000)	(101,702)	(1,001,107)	101,000		(2,00.,00.)	(0)/20/0/0/	(0,000,000,0	(1,51,5,55
Net change in fund balance	\$ 31,043,499	\$ (3,776,001)	\$ (17,449,799)	\$ (4,242,780)	\$ 7,664,294	\$ 68,643,859	\$ (9,122,280)	\$ (20,610,471)	\$ (12,786,485)	\$ (5,225,93
Debt service as a percentage of noncapita	al									
expenditures	12.18%	24.55%	23.08%	23.61%	29.51%	13.06%	15.11%	23.38%	25.21%	23.04

Data Source: Audited Financial Statements

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years

(modified accrual basis of accounting) (amounts expressed in thousands)

Fiscal Year	Р	roperty Tax	Sales Tax (1)	Fr	anchise Tax	l	coholic everage Tax	 surance remium Tax	1	al Estate ransfer Tax	Other Tax	Total
2011	\$	30,475	\$ 15,098	\$	328	\$	226	\$ 1,906	\$	324	\$ 279	\$ 48,636
2010		29,950	15,034		315		234	1,960		370	263	48,126
2009		27,340	14,209		295		238	1,988		467	257	44,794
2008		28,255	16,376		268		218	1,941		715	71	47,844
2007		24,818	17,467		227		211	1,846		1,034	117	45,720
2006	ľ	22,258	16,506		180	l	209	1,761		1,078	256	42,248
2005		20,827	13,470		130		189	1,649		995	261	37,521
2004		19,338	12,181		116		180	1,524		1,231	231	34,801
2003		17,374	10,017		125		170	1,422		1,025	188	30,321
2002		16,427	7,016		143		166	1,288		811	176	26,027

Source: Tax Commissioner

⁽¹⁾ Includes 1% Special Local Option Sales Tax

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

				-		•		•		-		-		-		-		-		
									Í	Health	Cult	Culture	Hom	Housing						
Fiscal	General	əral			_	Public	ш.	Public	w	and	ā	and	and	Į.	_	Debt				
Year	Government	ment		Judicial	_	Safety	_	Works	Š	Welfare	Recre	Recreation	Development	pment	Ϋ́	Service	Other (1)	<u>1</u>		Total
2011	69	6,833	Ġ	5,094	↔	20,036	69	6,691	↔	1,066	6/3	3,128	69	1,420	69	13,407	s	3,704	€Đ	61,379
2010		6,614		4,902		20,816		7,695		1,224		3,287		1,460		12,414		6,173	_	64,585
2009		7,397		4,686		18,715		8,074		1,245		3,150		1,414		11,240	•	16,967	•	72,888
2008		6,809		4,442		18,018		7,753		1,126		2,637		2,422		7,201	~	3,199	_	209'98
2007		6,624		4,214		16,453		3,849		1,384		2.475		1.738		5,553	-	9,159	-/	51,449
2006		5,670		3,803		14,795		3,909		819		1,999		1,528		9,791	•	4,493	•	16,807
2005		7,367		3,804		14,856		4,639		490		1,911		1,405		8,138	_	5,844	•	19,454
2004		7,418		3,522		14,705		5,134		492		1,761		1,339		7,933	~~	7,950	_	60,254
2003		5,219		2,951		13,898		4,939		629		1,404		1,144		7,411		3,600	•	41,195
2002		4,159		2,928		11,767		4,694		465		615		1,196		3,146		1,709	••	80,679

Source: Finance Department (1) - Includes intergovernmental expenses and capital outlay

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years (amounts expressed in thousands)

						_		Ratio of Total
	Real P	roperty	Personal	Property	Exemptions	To	tal	Assessed Value
Fiscal	Assessed	Estimated	Assessed	Estimated	Real	Assessed	Estimated	To Total Estimated
Year	Value	Actual Value	Value	Actual Value	Property	Value	Actual Value	Actual Value
2011	\$ 2,251,827	\$ 5,629,568	\$ 225,654	\$ 564,135	\$ 274,541	\$ 2,202,940	\$ 6,193,703	35.6%
2010	2,535,326	6,338,315	213,978	534,945	333,991	2,415,313	6,873,260	35.1
2009	2,584,434	6,461,085	221,721	554,302	328,968	2,477,187	7,015,387	35.3
2008	2,821,165	7,052,912	235,659	589,147	434,386	2,622,438	7, 64 2,059	34.3
2007	2,709,071	6,772,677	179,264	448,160	432,959	2,455,376	7,220,837	34.0
2006	2,431,156	6,077,890	172,337	430,842	366,526	2,236,967	6,508,732	34.4
2005	1,818,604	4,546,510	156,58 4	391,460	228,990	1,746,198	4,937,970	35.4
2004	1,834,429	4,586,072	208,824	522,060	220,163	1,823,090	5,108,132	35.7
2003	1,562,512	3,906,280	199,492	498,730	139,064	1,622,940	4,405,010	36.8
2002	1,482,564	3,706,410	187,413	468,533	138,635	1,531,342	4,174,943	36.7
2001	1,238,933	3,097,333	160,755	401,888	113,569	1,286,119	3,499,221	36.8

Source: Tax Assessor

PROPERTY TAX RATES (DIRECT AND OVERLAPPING GOVERNMENTS) Last Ten Fiscal Years (Mills - rate per \$1,000 of taxable assessed value)

	Walton	ton										
	County	nty	Scl	shool District	1		Loganville		Monroe		Social Circle	Total
	Fire Districts All Others	All Others		Debt	Total				Debt	Total		Direct &
Calendar	O & E	O % ∑	Operating	Service	School		Operating	Operating	Service	City	Operating	Overlapping
Year	Millage	Millage	Millage	Millage	Millage	State	Millage	Millage	Millage	Millage	Millage	Rates
2011	11.135	12.175	19.600	2.200	21.800	0.250	10.270	5.565	2.047	7.612	7.411	59.518
2010	10.542	11.032	18.600	2.200	20.800	0.250	10.270	5.512	1.728	7.240	7.411	57.003
2009	10.231	10.882	18.250	2.200	20.450	0.250	10.270	5.403	1.594	6.997	7.411	56.260
2008	9.632	10.055	17.490	2.450	19.940	0.250	10.270	5.189	1.412	6.601	7.411	54.527
2007	9.692	10.064	17.240	2.700	19.940	0.250	9.000	4.920	1.702	6.622	7.417	53.293
2006	9.585	10.064	17.240	2.700	19.940	0.250	9.000	4.870	1.878	6.748	7.524	53.526
2002	9.577	10.064	17.240	1.600	18.840	0.250	9.000	5.034	1.740	6.774	7.636	52.564
2004	9.630	10.064	18.020	0.820	18.840	0.250	9.000	5.604	1.589	7.193	7.997	53.344
2003	9.643	10.084	17.020	0.880	17.900	0.250	9.000	5.515	1.699	7.214	8.000	52.448
2002	9.643	10.084	16.940	0.960	17.900	0.250	8.000	5.905	1.639	7.544	8.000	52.778

Source: Tax Commissioner

Not all potential overlapping rates apply to all County property owners (e.g., the rates for special districts apply only proportion of the government's property owners whose property is located within the geographic boundaries of the Overlapping rates are those of local and county governments that apply to property owners within the County. special district.)

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND SEVEN YEARS AGO June 30, 2011

(amounts expressed in thousands)

			2011	I		2004	ı
		Taxable		Percentage of Total	Taxable		Percentage of Total
item	Taxpayer	Assessed Value	Rank	Assessed Value	Assessed Value	Rank	Assessed Value
1	Walton County Power, LLC	\$ 24,709	1	1.12%	-	-	•
2	MPC Generating, LLC	20,767	2	0.94%	-	-	-
3	Wal-Mart Real Estate	9,744	3	0.44%	\$15,401	2	0.84%
4	L&P Materials Mfg., Inc.	7,975	4	0.36%	-	-	
5	Pike Electric, Inc.	7,271	5	0.33%	-	-	
6	Murray E. Kenneth, Sr.	6,284	6	0.29%	5,327	6	0,29%
7	Monroe HMA, Inc.	5,798	7	0.26%		-	
8	Wal-Mart Stores East, LP	5,484	8	0.25%	-	-	
9	Georgia General	5,145	9	0.23%	-	-	
10	Unisia of Georgia Corp.	3,600	10	0.16%	-	-	
11	Walton EMC	-	-	-	17,802	1	0.98%
12	Transcontinental Gas	-	-	-	13,412	3	0.74%
13	Avondale Mills	_	-	-	7,591	4	0.42%
14	Alitell GA Communications	-	-	-	7,135	5	0.39%
15	Georgia Power Corp.	-	-	-	5,076	7	0.28%
16	L & P Materials MFG, Inc.	-	-	-	4,939	8	0.27%
17	Meridian Homes	-	_	-	4,768	9	0.26%
18	Bell South Telecomm, Inc.	-	-	-	4,425	10	0.24%
Totals		\$96,777		4.39%	\$85,876	•	4:71%

Source: Tax Commissioner

Usable data was not available prior to 2004.

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years (amounts expressed in thousands)

		Collec	ted within	Collections			
		Fiscal yea	ar of the Levy	in	Total	% of	Outstanding
Fiscal	Total		Percentage of	Subsequent	Tax	Total Levy	Delinquent
Year	Levy	Amount	Original Levy	Years	Collections	Collected	Taxes
2011	\$ 26,279	\$ 25,367	96.5%	\$ 234	\$ 25,601	97.4%	\$ 678
2010	26,450	25,318	95.72	896	26,214	99.1%	236
2009	26,021	24,736	95.06	1,132	25,868	99.4%	153
2008	24,447	23,728	97.06	603	24,331	99.5%	116
2007	22,201	21,921	98.74	280	22,201	100.0%	-
2006	19,895	19,654	98.79	224	19,878	99.9%	17
2005	17,357	17,152	98.82	185	17,337	99.9%	20
2004	16,050	15,802	98.45	227	16,029	99.9%	21
2003	14,167	13,926	98.30	204	14,130	99.7%	37
2002	13,545	12,484	92.17	1,061	13,545	100.0%	-

Source: Tax Commissioner

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS Last Ten Fiscal Years (amounts expressed in thousands)

	Special	Special	Collected as
Fiscal	Assessment	Assessments	Percentage
Year	Billings	Collected	of Billings
2011	\$ 503	\$ 539	107.2%
2010	498	495	99.4
2009	495	462	93.3
2008	437	438	100.2
2007	415	413	99.5
2006	347	344	99.1
2005	301	298	99.0
2004	271	259	95.6
2003	235	234	99.6
2002	201	200	99.5
2001	178	181	101.7

Source: Tax Commissioner

TOP 10 WATER CUSTOMERS CURRENT YEAR AND FIVE YEARS AGO

		2011				2006		
	Usage in	Annual	DI-	Percentage of Total	Uşage in	Annual Revenue	Rank	Percentage of Total Revenue
Customer	Kgallons	Revenue	Rank 1	10,59%	Kgallons 298,824,000	\$ 500,140	1	11.01%
City of Loganville Walton County BOE	344,625,000 12,168,000	\$ 882,240 100,709	2	1.21%	290,024,000	\$ 500,140	-	11.9170
City of Social Circle	10,425,000	27,101	3	0.33%	22,116,000	37,597	2	0.83%
Youth Mobile Home Park	5,561,000	43,739	4	0.53%	7,383,000	40, 9 83	3	0.90%
Jackson Mobile Home Park	3,521,000	27,301	5	0.33%	3,074,000	17,112	5	0.38%
Arocovia Properties, Inc.	3,292,000	24,565	6	0.29%	2,906,000	14,447	7	0.32%
Simmeron Mobile Home Park (1)	2,540,000	19,610	7	0.24%	2,926,000	32,606	6	0.72%
Summers Landing	2,253,000	17,390	8	0.21%	1,687,000	9,569	10	0.21%
City of Jersey	2,013,000	5,232	9	0.06%	4,852,000	8,243	4	0.18%
Loganville Christian Academy	1,200,000	9,305	10	0.11%	-	-	-	•
Georgia Water & Well Service		-	-	-	2,701,000	15,178	8	0.33%
Herman Carruth	-	-	-	*	2,006,000	11,561	9	0.25%
Total	387,598,000	1,157,191		13.89%	348,475,000	687,435		15.13%
All Others	932,804,000	7,171,024		86.11%	752,398,000	3,856,693		84.87%
Annual Totals	1,320,402,000	\$ 8,328,215		100.00%	1,100,873,000	\$ 4,544,128		100.00%

The Water and Sewer Fund came under the County's control in 2006 Source: Water Department

⁽¹⁾ Includes Sewage Fees

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amounts)

			G	Sovernmental /	Activities			r	irect Busine	ss-Type Act	ivities (2)				
	G	eneral		Certificates				Water	Water Capital	Water	Water	Total	Percentage		
Fiscal	ОЫ	ligation	Capital	of	installment	intergovernmenta	ı	Revenue	Leases and	Notes	Intergovernmental	Primary	of Personal		Per
Year	в	onds	Leases	Participation	Sales	Contracts		Bonds	GEFA Notes	Payable	Contracts	Governmen	t Income (1)	Ca	ipita (1)
2011	\$	26,165	\$ 288	\$ -	\$ -	\$ 2,652	1	\$ 80,420	\$ -	\$ -	\$ 5,907	\$ 115,432	5.64%	\$	1,276
2010	1	37,415	360	-	-	2,843		78,345	403	2,922	6,279	128,567	6.78		1,535
2009	1	46,915	-	-	253	3,034		78,950	477	3,327	6,639	139,595	5.17		1,599
2008	1	54,915	-	-	506	3,223		79,530	547	3,695	6,753	149,169	5.6		1,739
2007	1	58,915	25	-	759	3,239		19,560	614	7,584	6,861	97,557	3.84		1,172
2006	1	3,750	506	-	1,012	3,379		20,090	678	7,954	6,964	44,333	1.91		559
2005	1	10,750	972	1,215	1,265	3,517		~	-	-	-	17,719	0.85		235
2004	1	16,980	1,570	1,420	-	3,655		-	-	-	-	23,625	1.26		329
2003	1	22,630	-	1,615	-	3,790		-	-	-	-	28,035	1.62		405
2002		27,680	-	1,800	-	3,925		-	-	-	- 1	33,405	2.04		500

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See the Schedule of Demographic and Economic Statistics for personal income and population data.

⁽²⁾ The amount outstanding does not include unamortized issue premium or unamortized amount deferred on refunding which are included on the statement of net assets as part of debt.

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita (2)
2011	\$ 26,165	\$ 5,225	\$ 20,940	0.34%	\$ 232
2010	37,415	5,343	32,072	0.48	355
2009	46,915	5,348	41,567	0.59	476
2008	54,915	6,462	48,453	0.63	565
2007	58,915	3,600	55,315	0.77	665
2006	3,750	1	3,749	0.06	47
2005	10,750	541	10,209	0.21	135
2004	16,980	509	16,471	0.32	230
2003	22,630	456	22,174	0.50	320
2002	27,680	465	27,215	0.65	407

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

⁽²⁾ Population data can be found in the Schedule of Demographic and Economic Statistics.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT as of June 30, 2011 (amounts expressed in thousands)

	·		
Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
General Obligation Bonds of County (1)	\$26,165	100%	\$26,165
Overlapping:			
Walton County School District:			
General Obligation Bonds (1)	68,340	100%	68,340
Total Direct and Overlapping	\$94,505		\$94,505

Sources:

Assessed value data used to estimate applicable percentages provided by the State Department of Revenue.

Debt outstanding provided by the C (1) General obligation bonds are general obligations of the issuer to which its full faith and credit and taxing powers are pledged.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the county. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Valuations: (1) Assessed Value	\$ 1,669,977	\$ 1,762,004	\$ 2,043,253	\$ 1,975,188	\$ 2,603,493	\$ 2,888,335	\$ 3,056,824	\$ 2,806,155	\$ 2,749,304	\$ 2,477,481
Debt limit (10% of total assessed value)	166,998	176,200	204,325	197,519	260,349	288,834	305,682	280,616	274,930	247,748
Amount of Debt applicable to limit: General obligation bonds	27,880	22,830	7	11,965	3,750	58,915	54,915	46,915	37,415	26,165
Less: Amount set aside for repayment of generaql obligation debt Total net debt applicable to limit	27,289	(595)	(598)	(605)	3,536	53,607	(6,461)	(5,348)	(5,343)	(5,225)
Legal debt margin	\$ 139,709	\$ 153,965	\$ 153,965 \$ 186,523	\$ 186,159	\$ 256,813	\$ 235,227	\$ 257,228	\$ 239,049	\$ 242,858	\$ 226,808
Total net debt applicable to the limit as a percentage of debt limit	16.34%	12.62%	8.71%	5.75%	1.36%	18.56%	15.85%	14.81%	11.67%	8.45%

Source: (1) Tax Assesser (2) Audited Financial Statements

PLEDGED-REVENUE COVERAGE Last Five Fiscal Years (1) (amounts expressed in thousands)

Fiscal	Gross	Less: Operating	Net Available	Debt S	ervice	
Year	Revenues (2)	Expenses (3)	Revenue	Principal	Interest	Coverage
2011	\$ 8,773	\$ 4,187	\$ 4,586	\$ 1,250	\$ 3,660	0.93
2010	8,382	4,618	3,764	605	3,798	0.85
2009	7,332	5,042	2,290	580	3,592	0.55
2008	7,691	5,507	2,184	555	927	1. 4 7
2007	7,946	4,705	3,241	653	1,183	1.77

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

- (1) Walton County absorbed the Walton County Water Authority through a lease transfer agreement in 2006.
- (2) Include operating revenues plus interest income
- (3) Total operating expenses exclusive of depreciation.

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2) (000's omitted)	Per Capita Personal Income (2)	Median Age (1)	School Enrollment (4)	Unemployment Rate (3)
2011	90,444	N/A	\$ 22,637	35.2	14,966	10.1%
2010	83,758	N/A	22,624	37.4	14,836	10.3%
2009	87,311	\$ 2,702	30,947	36.7	14,642	10.2%
2008	85,782	2,664	31,022	34.6	14,530	6.5%
2007	83,241	2,539	30,502	34.5	13,891	4.7%
2006	79,295	2,327	29,348	34.6	13,446	4.5%
2005	75,494	2,095	27,749	34.6	12,811	4.7%
2004	71,741	1,878	26,172	34.6	12,196	4.4%
2003	69,204	1,736	25,083	34.4	11,816	4.2%
2002	66,856	1,641	24,550	34.2	11,356	4.2%

Data Sources

N/A - Information is not available from the Bureau of Economic Analysis

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar ye Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

⁽¹⁾ Bureau of the Census

⁽²⁾ Bureau of Economic Analysis

⁽³⁾ Federal Reserve Economic Data

⁽⁴⁾ State Department of Education

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

		2011			2002	
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Walton County Board of Education	1,876	1	5.16%	1,830	1	5.04%
Wal-Mart Supply Chain	817	2	2.25%	563	2	1.55%
Walton County Government	721	3	1.98%	515	3	1.42%
Walton Regional Medical Center	415	4	1.14%	~	-	-
Wal-Mart Store - Loganville	400	5	1.10%	-		-
Standridge Color Corporation	354	6	0.97%	324	6	0.89%
Wal-Mart Store - Monroe	352	7	0.97%	-	-	-
Leggett & Platt, Inc.	300	8	0.83%	400	4	1.10%
Social Circle City Schools	270	9	0.74%	-	-	-
City of Monroe	232	10	0.64%	-	-	-
Avondale Manufacturing	-	-	¥*	325	5	0.90%
Crane Plumbing	-	-	-	270	7	0.74%
Oxford Slacks	-		-	240	8	0.66%
Goodyear Tire and Rubber	-	-	·	225	9	0.62%
Certain Teed Corporation	-	-	-	180	10	0.50%
Total	5,737		15.78%	4,872		10.01%

Source: State Department of Commerce.

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION Last Ten Fiscal Years

			Full	-Time Equiv	Full-Time Equivalent Employees as of Fiscal Year End	ees as of Fi	scal Year En			
Function	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government Public Safety	141	138	139	132	139	138	132	134	126	120
Sheriffs Office										
Deputies	156	154	155	151	151	137	137	134	131	123
Civilians	20	20	20	19	8	9	19	19	19	18
Total Sheriffs Office	176	174	175	170	169	156	156	153	150	141
Fire										
Firefighters and Officers	52	20	51	20	20	20	45	45	44	4
Civilians	-	1	1	1	~	1	2	1	1	1
Total Fire	53	51	52	51	51	51	47	46	45	42
EMS, E911 & Animal Control	56	57	58	56	58	52	53	50	53	56
Total Public Safety	426	420	424	409	417	397	388	383	374	359
Public Works										
Supervision and Administration	15	17	16	16	16	17	15	15	15	15
Maintenance	35	37	36	33	37	38	36	35	35	35
Total Public Works	50	54	25	49	53	52	51	20	20	20
Recycling	6	10	10	10	10	6	11	6	6	6
Culture and Recreation	25	26	25	24	26	25	21	25	22	16
Water	25	28	26	29	28	1	,	•	•	1
Total	535	538	537	521	534	486	471	467	455	434

Source: Finance Department

OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

						Fiscal Year	ſear				
	Function	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Sheriff											
	Physical Arrests (1)	4,111	5,964	5,628	5,415	5,412	4,969	4,941	4,922	4,720	3,716
	Traffic Violations (1)	6,369	14,382	14,468	7,428	6,524	6,650	6,167	9,389	10,751	9,895
Fire											
	Number of Calls Answered	3,100	3,112	3,067	2,935	2,993	3,075	3,317	3,255	2,858	2,771
	Pre- Fire Plans	103	103	103	103	103	103	66	97	96	88
Highways	Highways and Streets										
	Street Resurfacing (miles)	40.84	52.00	27.60	59.81	37.50	26.47	23.08	N/A	N/A	N/A
	Potholes Repaired	37	115	45	43	131	93	N/A	A/N	A/N	√/Z
Sanitation											
	Refuse Collected (tons/year)	3,588	3,262	3,234	3,369	3,037	2,809	2,661	2,529	2,534	N/A
	Recyclables Collected (tons/year)	830	1,136	649	1,020	1,045	1,235	1,446	1,400	1,139	1,178
Culture an	Culture and Recreation								·	•	
	Athletic Facility Permits Issued	71	43	4	28	26	7	O	7	00	A/Z
	Park Facility Permits Issued	151	151	125	94	71	61	48	81	53	A/Z
	Community Center Memberships	3,000	1,500	1,000	500	N/A	N/A	N/A	A/N	A/N	A/N
Water											
	New Connections	41	47	110	258	099	746	911	792	713	912
	Water Mains Breaks	7	7	12	£	7	12	S.	17	2	က

Source: County Departments (1) Information is Calender Year as reported to the Governor's Office of Highway Safety. 2011 is year-to-date thru September.

CAPITAL ASSET STATISTICS BY FUNCTION Last Ten Fiscal Years

Function	2011	2010	2009	2008	Fiscal Year	/ear 2006	2005	2004	2003	2002
Public Safety										
Sheriffs Office										
Stations		2	2	2	2	2	П	Н	Н	₩
Vehicles	126	129	120	131	115	125	110	103	N/A	N/A
Fire										
Stations		Ħ	11	11	11	11	11	11	11	10
Vehicles		37	36	36	36	32	32	31	33	30
Highways and Streets										
Streets (miles)	744	744	744	744	744	744	700	691	691	N/A
Streetlights (1)	3,312	3,334	3,330	3,058	2,803	N/A	N/A	N/A	N/A	N/A
Equipment	50	51	51	51	51	47	42	42	40	39
Vehicles	44	48	48	48	48	44	40	43	38	37
Recycling										
Vehicles	ĸ	ന	ന	m	m	4	4	4	4	4
Equipment	63	63	83	63	63	63	61	26	56	53
Solid Waste										
Vehicles	2	4	4	4	4	Ŋ	រប	5	9	9
Equipment	1.5	15	15	13	12	12	11	11	11	11
Culture and Recreation										
Parks Acreage - County Owned	ed 273.70	273.70	273.70	236.70	221.70	185.70	124.20	124.20	124.20	N/A
Parks - County Owned		11	11	10	90	4	ന	m	ന	N/A
Parks Acreage - County Mair		87.70	87.70	87.70	87.70	87.37	83.70	83.70	83.70	N/A
Parks - County Maintained		9	9	9	9	9	5	Ω	Ŋ	N/A
Community Centers	m	m	ന	m	П	ᆏ	₩	П	τH	N/A
Water Mains (miles)	526	512	200	475	450	425	400	400	400	400
Fire Hydrants	2,776	2,703	2,640	2,508	2,376	2,244	2,112	2,112	2,112	2,112
Maximum Daily Capacity	10,750	10,750	9,000	8,750	8,750	8,750	8,750	8,750	8,750	8,750
(thousan	ds of gailons)									
Source: County Departments										

(1) Walton EMC N/A - Information not available