

WALTON COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2013

Prepared By:
The Walton County Finance Department

INTRODUCTORY SECTION

WALTON COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents	i-iv
Letter of Transmittal	v – viii
Certificate of Achievement for Excellence in Financial Reporting	ix
List of Officials	x
Organizational Chart	xi
FINANCIAL SECTION	
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-18
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	27
Combining Statement of Net Position – Component Units	28
Combining Statement of Activities – Component Units	29
Notes to Financial Statements	30-66
Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	67 and 68
Schedules of Funding Progress	69
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	70 and 71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	72 and 73

WALTON COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

FINANCIAL SECTION (Continued)	<u>Page</u>
Combining and Individual Fund Statements and Schedules (Continued):	
Law Library Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	74
Forfeited Drug Seizure Fund– Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	75
Inmate Phone Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	76
Emergency 911 Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	77
Clerk’s Authority Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	78
Juvenile Supplemental Services Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	79
Multiple Grant Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	80
Sheriff’s Programs Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	81
Drug Abuse Treatment Education Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	82
DARE Program Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	83
Crime Victim’s Assistance Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	84
Seized Drug Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	85
Inmate Commissary Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	86
DA Forfeiture Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	87
Forfeited Federal Drug Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	88
Walton County Public Purpose Corporation – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	89
Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	90
Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds	91-93
Combining Statement of Net Position– Internal Service Funds.....	94

WALTON COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (Continued)	
Combining and Individual Fund Statements and Schedules (Continued):	
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	95
Combining Statement of Cash Flows – Internal Service Funds	96
Combining Statement of Assets and Liabilities – Agency Funds.....	97
Statement of Changes in Assets and Liabilities – Agency Funds	98 and 99
Statement of Cash Flows – Component Unit – Development Authority	100
Balance Sheet – Component Unit – Commission on Children & Youth.....	101
Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Unit – Commission on Children & Youth	102
 STATISTICAL SECTION	
Financial Trends:	
Net Position by Component	103
Changes in Net Position	104
Fund Balances of Governmental Funds	105
Changes in Fund Balances of Governmental Funds	106
General Governmental Tax Revenues by Source	107
General Governmental Expenditures by Function	108
 Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	109
Property Tax Rates (Direct and Overlapping Governments).....	110
Principal Property Taxpayers	111
Property Tax Levies and Collections	112
Special Assessment Billings and Collections	113
Top 10 Water Customers.....	114
 Debt Capacity:	
Ratios of Outstanding Debt by Type	115
Ratios of Net General Bonded Debt Outstanding.....	116
Direct and Overlapping Governmental Activities Debt	117
Legal Debt Margin Information	118
Pledged-Revenue Coverage.....	119
 Demographic and Economic Information:	
Demographic and Economic Statistics	120
Principal Employers - Current Year and Nine Years Ago	121

WALTON COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Continued)	
Operating Information:	
Full-Time Equivalent County Government Employees by Function.....	122
Operating Indicators by Function.....	123
Capital Asset Statistics by Function.....	124

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November 20, 2013

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, 2013.

This report consists of management's representations concerning the finances of Walton County, Georgia. Responsibility for both the accuracy of the presented data 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 Mauldin 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, 2013, 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 unmodified ("clean") opinion on Walton County's financial statements for the year ended June 30, 2013. 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 on July 15, 1818 from land held by the Cherokee and Creek Indians and was named for George Walton, a signer of the Declaration of Independence. The County is located 45 miles east of the City of Atlanta, and the City of Monroe is the County seat. 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 83,768. The 29th most populous Georgia County The principal office of the County is located at 303 S. Hammond Drive, Monroe, Georgia, 30655.

Form of Government

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.

County Services

Walton County provides a full range of services, including law enforcement and a detention facility that houses 433 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 and sewerage services, solid waste collection and recycling; animal control; emergency management; ambulance service; E-911 service; and recreation and parks. The County provides services through legally separate 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 Commissioner's 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. Medium household income increased over the last decade in Walton County has increased from \$46,479 in 2002 to \$53,341 in 2012 according to the latest figures available.

From an employment standpoint, Walton County is attractive to business and industry as evidenced by the Baxter Pharmaceutical breaking ground at Stanton Springs Industrial Park to local its latest plant which will provide approximately 1600 jobs when it opens in 2014. The largest General Mills Distribution Center in the southeast located in Social Circle. In addition 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, Minerva, and Tucker Door and Frame. Hitachi Automotive Systems announced plans to expand their Walton County facilities anticipating the creation of 250 new jobs. 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 2013 unemployment of 8.6% a decrease from 2012 unemployment rates. Close 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 areas 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's proximity to University of Georgia, Perimeter College and Georgia Piedmont Technical College enhance the County's attractiveness to business and industry. Athens Technical College campus located in Monroe provides additional access to higher education for County residents.

Long Term Financial Planning: An unassigned fund balance in the general fund (30% 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 paid off the 2007 General Obligation SPLOST Bond in 2013. The Water and Sewerage Authority received a \$20 million GEFA loan at an interest rate per annum equal to one percent (1%). through the State's Water Supply Fund for the Hard Labor Creek Reservoir project.

The County continued its partnership with the Walton County Board of Education to share a gas terminal to reduce the cost of gas and diesel for both the County and the Board of Education.

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. In 2012 the Walton County Board of Commissioners suspended impact fee collections to encourage building in the county.

SPLOST: In 2001 the 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 \$87.4 million to finance the County's capital assets. The SPLOST implemented in 2007 and 2013 is shared with the cities of Social Circle, Loganville, Monroe, Jersey, Walnut Grove, Between, and Good Hope.

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). The County received the Certificate of Excellence in Financial Reporting for both the 2011 CAFR and the 2012 CAFR. 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 Mauldin and Jenkins, LLC. 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Walton County
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

WALTON COUNTY, GEORGIA

Principal Officials

Board of Commissioners

2013

Kevin W. Little	Chairman
Clinton Ayers	Commissioner District 1
Mark Banks	Commissioner District 2
Timmy Shelnut	Commissioner District 3
Lamar Palmer	Commissioner District 4
Jeremy Adams	Commissioner District 5
Kirklyn Dixon	Commissioner District 6

Kirby Atkinson, County Attorney

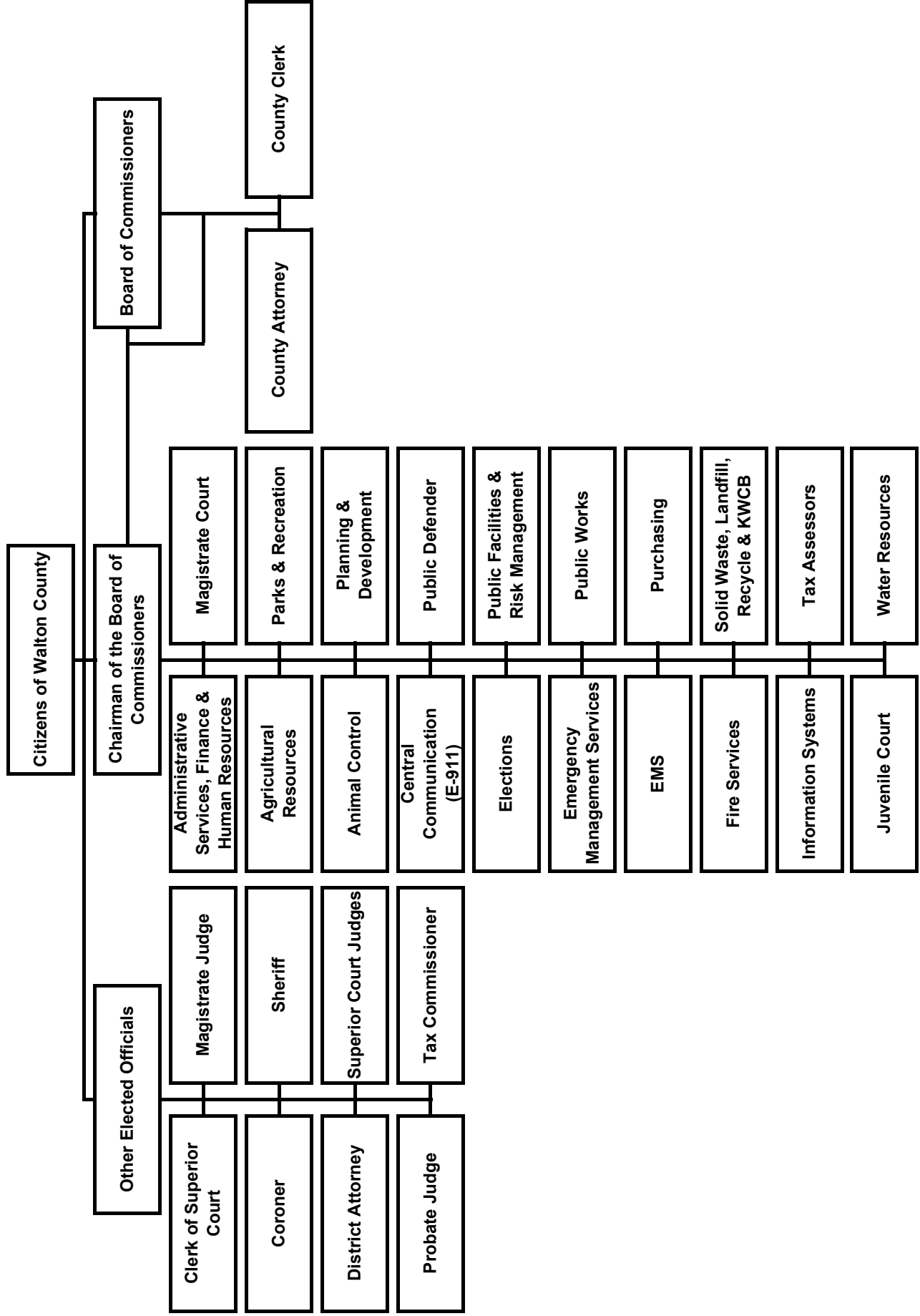
Leta Talbird, County Clerk

Other Elected Officials

Kathy Trost	Clerk of Superior Court
Joe Page	Coroner
Layla Zon	District Attorney
Mike Burke	Magistrate Judge
Bruce Wright	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
Derry Boyd	Tax Commissioner

WALTON COUNTY, GEORGIA

Organization Chart



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise Walton County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 21 percent, 19 percent, and 87 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Walton County Health Department, is based solely 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 15, Walton County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 18), the budgetary comparison information (on pages 67 through 68), and schedules of funding progress (on page 69) 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.

Other Information

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 schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and schedules of expenditures of special purpose local option sales tax proceeds (collectively “the supplementary information”) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2013, 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* in considering the County’s internal control over financial reporting and compliance.



Atlanta, Georgia
November 20, 2013

WALTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Walton County's Comprehensive Annual Financial Report provides a narrative of Walton County's financial performance. The overview and analysis presented here are of the County's financial activities for the fiscal year ended June 30, 2013. Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts. Please read it in conjunction with the letter of transmittal at the front of this report and 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 position totaled \$210 million for its governmental and business-type activities, an *increase* of \$8.2 million from the previous fiscal year due primarily from increase in grant revenue for public works and charges for services across multiple budget units.
- Walton County closed FY 2013 with a governmental fund balance of approximately \$30.1 million. This reflects a fund balance of \$1.7 million for Debt Service Fund and \$8.4 million for other non-major governmental funds. The fund balance of \$20 million for the General Fund is a decrease of approximately \$1.5 million from FY 2012.
- Total combined revenues for governmental and business-type activities were \$70.7 million, a decrease of approximately \$200,000 from the prior fiscal year due primarily to a decrease in revenues from property tax.
- Overall expenses were \$62.4 million, of which governmental activities were \$51.1 million and business-type activities were \$11.3 million. Total expenses increased \$1.3 million from the previous fiscal year resulting primarily from increases in expenses in judicial, public safety and public works.
- As of June 30, 2013, governmental activities' expenses exceeded program revenue, resulting in the use of \$41 million in general revenue (primarily taxes).
- In the County's business-type activities, operating revenues were \$11.6 million and operating expenses were \$10.6 million, for an operating gain of approximately \$958,000 in FY 2013. This compares with operating gains of approximately \$935,000 for the prior fiscal year primarily as a result of continued cost containment efforts of County.
- The General Fund resources available for appropriation were \$ 1.1 million more than originally budgeted, and expenditures were \$1.7 million less than originally budgeted.
- The unassigned fund balance of \$19.7 million in the General Fund was an increase of approximately \$4.6 million over the prior fiscal year.
- On July 1, 2006, the County began collecting impact fees. The County collected \$43,579 in Impact Fees in FY 2013 an increase of \$9,775 from the prior fiscal year. Collections and capital outlay, combined with interest earned, resulted in a fund balance of \$631,178.

MANAGEMENT'S DISCUSSION AND ANALYSIS

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Government-Wide financial statements, the Statement of Net Position 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 Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. The governmental fund financial statements start on page 19. For governmental funds, 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 Position* and the *Statement of Activities*

Our analysis of the County as a whole begins on page 8. 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 Position* 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 position and changes in them. You can think of the County's net position—the difference between assets and deferred outflows and liabilities and deferred inflows—as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position 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 Position* 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- *Component units*—The County includes five separate legal entities in its report—the Walton County Development Authority, the Walton County Commission on Children & Youth, the Walton County Health Department, the Walton County Water and Sewerage Authority, and the Walton County Public Purpose Corporation. 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. The Walton County Water and Sewerage Authority is a blended component unit reported as part of the County’s Water & Sewer Fund, and the Walton County Public Purpose Corporation is reported as a special revenue 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 13. 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 Position* 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 Position* 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 AS A WHOLE

NET POSITION:

Net position may, over time, serve as an indicator of a government's financial condition. Walton County's combined net position increased in FY 2013 by \$8.2 million to \$210 million at June 30, 2013.

	Net Position (\$ in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government Activities	
	2013	2012	2013	2012	2013	2012
Assets & Deferred Outflows of Resources						
Current and other assets and deferred inflows of resources	\$ 32,858	\$ 34,920	\$ 31,856	\$ 30,592	\$ 64,714	\$ 65,512
Restricted assets	4,121	11,174	17,740	25,936	21,861	37,110
Capital assets	110,605	110,940	114,912	104,278	225,517	215,218
Total assets and deferred outflows of resources	<u>147,584</u>	<u>157,034</u>	<u>164,508</u>	<u>160,806</u>	<u>312,092</u>	<u>317,840</u>
Liabilities						
Long-term liabilities	10,776	25,515	85,089	84,437	95,865	109,952
Other liabilities	2,880	3,213	3,303	2,870	6,183	6,083
Total liabilities	<u>13,656</u>	<u>28,728</u>	<u>88,392</u>	<u>87,307</u>	<u>102,048</u>	<u>116,035</u>
Net position						
Net investment in capital assets	102,657	94,687	43,139	40,400	145,796	135,087
Restricted	9,448	10,702	5,591	5,590	15,039	16,292
Unrestricted	21,823	22,917	27,386	27,509	49,209	50,426
Total net position	<u>\$ 133,928</u>	<u>\$ 128,306</u>	<u>\$ 76,116</u>	<u>\$ 73,499</u>	<u>\$ 210,044</u>	<u>\$ 201,805</u>

Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—decreased, by \$1.1 million this year, as compared to the end of the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The largest portion of the County's net position of \$146 million, reflects investments in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks) less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens and given their nature they cannot be liquidated to repay associated debt; therefore, these assets were not available for future spending.

Included in the County's restricted net position of \$9.5 million for governmental activities is \$6.6 million for capital projects, primarily SPLOST capital projects, \$1.7 for debt service and the remainder for public safety and judicial needs.

The County reported positive balances in all categories of net position for FY 2013, 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 POSITION:

Total net position increased for Fiscal Year 2013 by \$8.2 million, which consisted of an increase of \$5.6 million in governmental activities and an increase of \$2.6 million in business type activities. Decreases in property taxes were offset slightly by increases in charges for services and state government grants received by the County. Increased revenues generated by EMS and Solid Waste accounted for the approximately 3.6% increase in the County's business type total net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

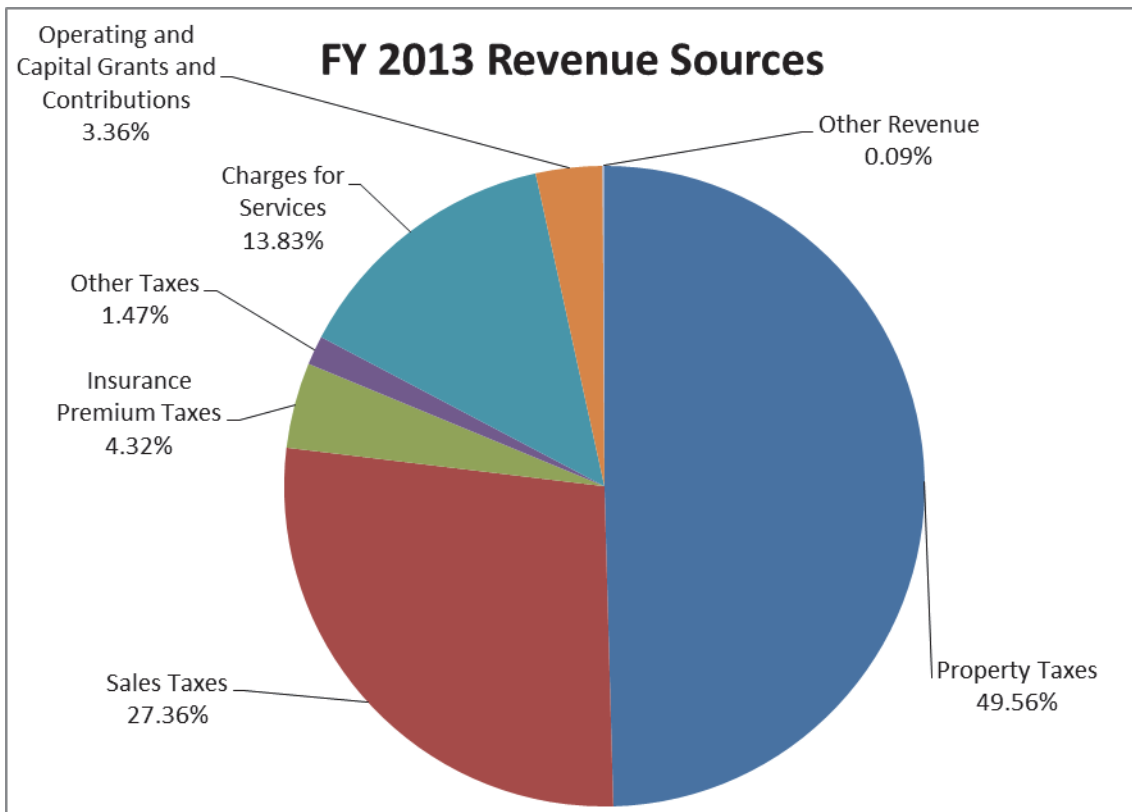
Changes in Net Position (\$ in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 8,053	\$ 7,801	\$ 11,563	\$ 11,400	\$ 19,616	\$ 19,201
Operating grants and contributions	1,670	961	-	-	1,670	961
Capital grants and contributions	241	122	902	901	1,143	1,023
General revenues:						
Property taxes	28,854	30,347	-	-	28,854	30,347
Sales taxes and other taxes	19,303	19,072	-	-	19,303	19,072
Investment earnings	54	47	20	25	74	72
Other revenues	-	245	-	-	-	245
Total revenues	<u>58,175</u>	<u>58,595</u>	<u>12,485</u>	<u>12,326</u>	<u>70,660</u>	<u>70,921</u>
Expenses						
General government	6,941	7,442	-	-	6,941	7,442
Judicial	4,908	4,790	-	-	4,908	4,790
Public safety	21,166	21,080	-	-	21,166	21,080
Public works	11,594	9,446	-	-	11,594	9,446
Health and welfare	1,049	963	-	-	1,049	963
Culture and recreation	3,549	3,703	-	-	3,549	3,703
Housing and development	1,289	1,331	-	-	1,289	1,331
Interest on long-term debt	611	1,201	-	-	611	1,201
EMS	-	-	2,717	2,686	2,717	2,686
Water and sewer	-	-	7,538	7,301	7,538	7,301
Solid waste	-	-	1,059	1,157	1,059	1,157
Total expenses	<u>51,107</u>	<u>49,956</u>	<u>11,314</u>	<u>11,144</u>	<u>62,421</u>	<u>61,100</u>
Income before transfers	7,068	8,639	1,171	1,182	8,239	9,821
Transfers	<u>(1,446)</u>	<u>(1,688)</u>	1,446	1,688	-	-
Change in net position	5,622	6,951	2,617	2,870	8,239	9,821
Net position beginning of year, restated	128,306	121,355	73,499	70,629	201,805	191,984
Net position end of year	<u>\$ 133,928</u>	<u>\$ 128,306</u>	<u>\$ 76,116</u>	<u>\$ 73,499</u>	<u>\$ 210,044</u>	<u>\$ 201,805</u>

Walton County's total revenue was \$70.7 million for FY 2013. The total cost of programs and services for FY 2013 was \$62.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As can be seen from the chart below, approximately 82.71% of the County's combined total revenue from Governmental Activities was provided by taxes. Property taxes accounted for 49.56% and 27.36% by sales taxes and 5.79 % for other taxes. Property Taxes as a percent of the County's total revenue decreased by 2.4% from the prior year collections while sales and other taxes remained the same as last year. The County charges fees for services for a variety of services including housing stray animals, disposal of non-recyclables, providing certified copies of documents, issuing building permits, and impact fees. Additionally, the Courts (Superior, Probate, Magistrate, & Juvenile) impose fines for violations of laws and ordinances which remained the same as last year. Charges for services increase slightly as a percentage of revenues accounting for 13.83% of the County's revenue. Grant revenue increased by almost 75% over last year due to increase state grant monies for roads.

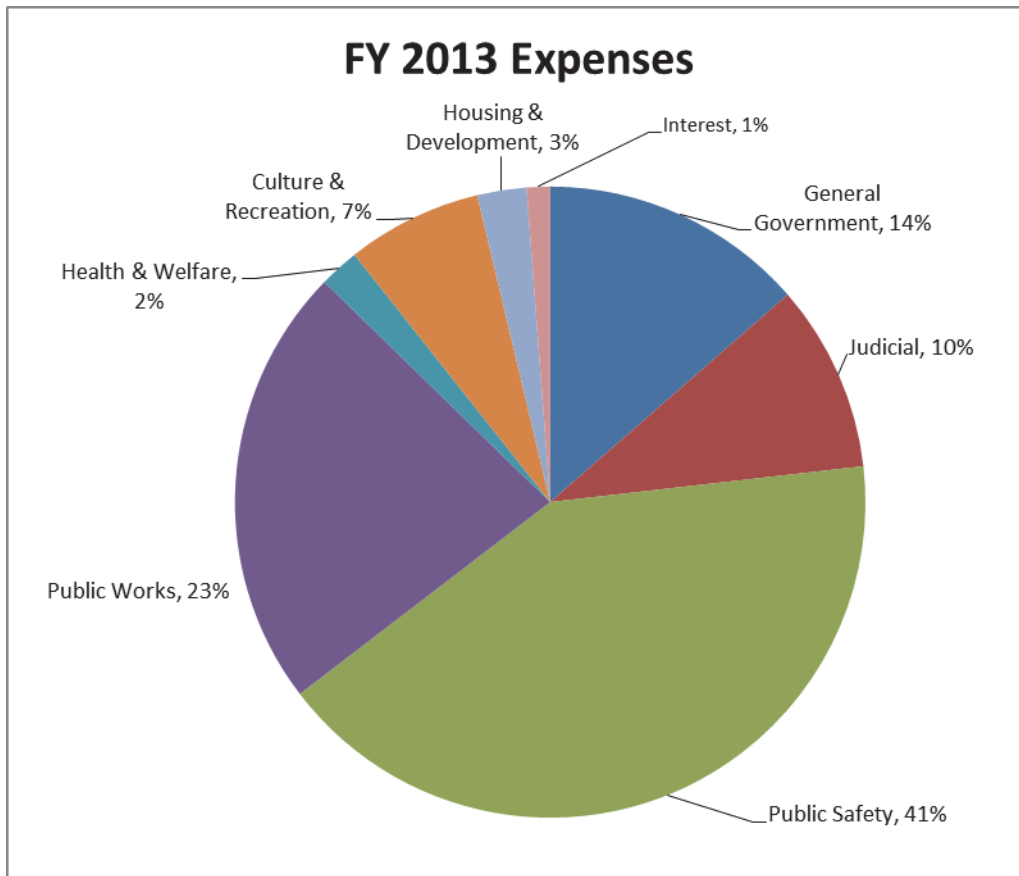


MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's major expense, ensuring public safety, decreased 1% as compared to the prior year to 41% of the total governmental expenses. Public Safety includes law enforcement, jail operations, fire protection, E-911, coroner, animal control, and emergency management.

Expenses for the Culture and Recreation program, which began August 2002, required only 7% of total governmental 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. Capital expenditures for parks and recreation areas to facilitate these programs are 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 709 miles of county-maintained roads. The County was able to rebuild New Hope Church bridge road and resurface 28.43 miles of roads in FY 2013, 1.27 fewer than the miles of roads resurfaced in the prior fiscal year. Resurfacing costs were expensed in the Public Works Program, which increased 4% from the prior year at 23% of total governmental expenses in FY 2013 due primarily to major bridge repair and replacement projects.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The General Fund subsidized EMS \$827,755 down approximately 18% from FY 2012 and Solid Waste \$490,320 which is down 19% from FY 2012. In the EMS Fund, operating revenues increased by approximately 6%, resulting from an increase in ambulance fee collections and grant revenues, while expenses increased approximately 1% from the prior year. In the Solid Waste Fund, revenues decreased by approximately 4%, due primarily to a decrease in charges for hauling and sales of recyclables, while expenses decreased approximately 1.5% from the prior year. Capital Assets, net of depreciation, decreased slightly for Solid Waste due to an aging vehicles and equipment while EMS Fund increased due to the purchase of an ambulance. The Water and Sewer Fund realized an operating income of \$2.3 million in FY 2013, slightly less than FY 2012. Water and Sewer Fund capital assets saw an increase of \$10.6 million due to the purchase of vehicles and the completion of water projects.

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 unassigned 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 2013 fiscal year with a combined fund balance of \$30.14 million for governmental funds including \$6.6 million restricted for capital projects and \$3.4 million in restricted and committed in the Special Revenue and Debt Service Funds.

Major Funds:

General Fund

The General Fund is the operating fund of the County. At the end of fiscal year 2013, the unassigned fund balance was \$19.7 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 41% of that total, up from the previous year.

The fund balance in the general fund decreased approximately \$1.5 million during FY 2013. Tax revenues from sales tax and 2012 tax digest assessments provided the bulk of General Fund revenue, decreasing approximately 4%, while total revenues decreased by approximately 3% over FY 2012. Expenditures decreased by \$1.3 million due primarily to the County's decreased costs in all areas primarily due to postponing vehicle and equipment purchases. 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 2012 property taxes received in FY 2013 and payoff its General Obligation Bonds using County reserves. In an effort to be good stewards of taxpayers' funds, County offices continued to make concerted efforts to improve efficiencies in providing necessary services. Additional information about the General Fund can be found in the Budgetary Comparison Schedule.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Special Local Option Sales Tax (SPLOST) Capital Projects Fund

The imposition of a 1% Special Local Option Sales Tax beginning on January 1, 2002, raised \$5 million in FY2013.

The SPLOST 2007 Fund was established for the proceeds of the special six-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 bond proceeds were allocated to the County and to the Cities of Monroe, Loganville, Social Circle, Walnut Grove, Good Hope, Jersey, and Between. 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. As of June 30, 2013, the 2007 SPLOST has raised a cumulative total of approximately \$56.7 million which was used to meet the debt service payments on the 2007 General Obligation Bonds issued for SPLOST related projects, thus these revenues are reported in the Debt Service Fund.

SPLOST III Fund was established for the proceeds of the special six-year one cent sales tax and projects approved by voters on November 8, 2011 to commence January 1, 2013 to raise an estimated \$60 million for capital projects for the County and the Cities of Monroe, Loganville, Social Circle, Walnut Grove, Good Hope, Jersey, and Between.

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

In FY 2013 several capital projects were funded with SPLOST funds. The County completed construction of the Road and Bridge projects, jail expansion, and extended water service lines in FY 2013 along with substantial progress with other SPLOST projects both for the County and participating cities. Fund balance in the 2001 and 2007 SPLOST funds decreased approximately 62% from FY 2012 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 2013, the Fund Balance decreased \$3.9 million to \$1.68 million due to County paying off the 2007 SPLOST Bond. The debt service shortfall for the 2007 SPLOST bond was made up for by the General Fund.

Non-Major Governmental Funds:

Liabilities in the non-major governmental funds were approximately \$1 million, and the fund balance was approximately \$8.4 million as of the year ended June 30, 2013. The non-major governmental fund totals are a combination of the following special revenue funds and capital projects funds:

MANAGEMENT'S DISCUSSION AND ANALYSIS

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
- Walton County Public Purpose Corporation

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: 2001 SPLOST, 2007 SPLOST, 2013 SPLOST, and Impact Fee funds.

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 FY2013, County impact fees generated \$43,579 in revenue, up approximately 29% from FY 2012 due to an increase development and new construction. Of the funds accumulated earnings, \$34,900 was made available for parks and recreation to create a passive park and \$27,170 was made available to the Uncle Remus Library System. The Walton County Board of Commissioners suspended the collection of Impact Fees during FY 2013 to help stimulate development.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds

The County reports three enterprise funds activities as proprietary funds: Solid Waste and Recycling Operations, Emergency Medical Services, and Water and Sewer 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 \$2.9 million, liabilities of \$1.4 million, and unrestricted net position of \$1.5 million.

The EMS Fund revenues were up \$113,647, approximately 6% due to rise in ambulance calls while expenses in the EMS fund decreased by \$30,481, approximately 1% from FY 2012. The Water and Sewer Fund had \$77,317 increase in total revenues a less than 1% increase due to an increase in charges for services for new system connections. Expenses in the Water & Sewer Fund increased by \$208,360 from FY 2012, approximately 3%, due primarily to an increase in operating costs associated with water purchases. Solid Waste Fund experienced a \$27,544 decrease in revenue from FY 2012, approximately 4%, due primarily to decrease in sale of recyclables. Solid Waste Fund experienced a \$98,761 decrease in personnel expenses.

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 pages 97-99 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 2013 reflect a net decrease of approximately \$367,093 over FY 2012.

Few significant budget amendments were made to expenditures in FY 2013. 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. Tax revenue budgets were amended to reflect higher than anticipated revenues.

As previously stated, by the end of fiscal year 2013, revenues, including reimbursements, were less than expenditures resulting in a \$1.5 million 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounted to \$225 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 \$335,000 for governmental activities and increased approximately \$10.6 million for business-type activities due additional construction in progress for reservoir land purchases. Depreciation expense for the governmental activities for the period was \$4.4 million and \$4.1 million was expended for capital outlay. Additional information on Capital Assets can be found in Note 6 of the Notes to the Financial Statements.

Major capital asset activities in 2013 were:

- \$689,829 for diversion center at the Jail
- \$53,919 for Good Hope Passive Park
- \$121,880 for 4 Sheriff's vehicles
- \$257,847 for Jail security system and new chiller
- \$25,000 for Chairman's vehicle
- \$19,658 for Animal Control vehicle
- \$127,945 for Public works heavy equipment including a tractor with mower
- \$47,710 for Fire Department rescue equipment

Long-term Debt

As of June 30, 2013, Walton County had no outstanding general governmental debt principal. 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 \$84 million to \$82 million in FY 2013. The Water and Sewer Debt is comprised of four bond issues including \$60.52 million for the Hard Labor Creek Reservoir project, Series 2011, and Series 2012 Water Revenue Bonds.

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 2014 budget due to the continued slow economy.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 unassigned 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 2014 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 increased 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 property tax revenue stable.

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 Walton County 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 additional land purchases and anticipates moving forward with the next phase of the project which includes the construction of a dam and reservoir.

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 Walnut Grove to development on a sewerage treatment plant to facilitate economic development. Stanton Springs Industrial Park secured Baxter International, Inc. to build a state of the art \$1 billion facility in the park. Baxter estimates it will employ over 1,500 full time employees when it begins production in 2018. A few small businesses opened in Walton County despite the slowdown in the economy. Walton County completed construction of the new Detention Facility to increase inmate capacity, and began construction for replacing Mt Carmel Church Road bridge.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

WALTON COUNTY, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2013**

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 27,601,771	\$ 7,754,146	\$ 35,355,917	\$ 1,674,020
Investments	1,511,206	1,444,996	2,956,202	-
Accounts receivable, net of allowances	1,262,406	1,182,135	2,444,541	74,657
Interest receivable	-	1,659	1,659	-
Due from other governments	1,335,526	477,963	1,813,489	-
Due from primary government	-	-	-	12,335
Internal balances	(18,389)	18,389	-	-
Inventories	262,444	220,514	482,958	-
Prepays	391,724	14,053	405,777	56
Restricted cash and cash equivalents	4,120,584	17,739,672	21,860,256	-
Property held for resale	39,900	-	39,900	-
Other assets	471,641	-	471,641	-
Long-term intergovernmental receivable	-	19,535,000	19,535,000	-
Capital assets				
Nondepreciable	22,641,771	65,134,028	87,775,799	3,945,813
Depreciable, net of accumulated depreciation	87,963,253	49,778,216	137,741,469	37,803
Total assets	<u>147,583,837</u>	<u>163,300,771</u>	<u>310,884,608</u>	<u>5,744,684</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	1,207,680	1,207,680	-
Total deferred outflows of resources	<u>-</u>	<u>1,207,680</u>	<u>1,207,680</u>	<u>-</u>
LIABILITIES				
Accounts payable	2,139,540	771,440	2,910,980	47,079
Accrued liabilities	69,592	1,641,013	1,710,605	2,430
Unearned revenue	45,104	-	45,104	-
Due to other governments	612,876	-	612,876	-
Due to component unit	12,335	-	12,335	-
Customer deposits payable	-	890,691	890,691	-
Capital leases due within one year	224,061	-	224,061	-
Capital leases due in more than one year	5,504,072	-	5,504,072	-
Contracts payable due within one year	238,579	-	238,579	-
Contracts payable due in more than one year	1,981,285	-	1,981,285	-
Notes payable due in more than one year	-	1,011,898	1,011,898	-
Bonds payable due within one year	-	1,680,000	1,680,000	-
Bonds payable due in more than one year	-	82,134,321	82,134,321	-
Compensated absences due within one year	976,011	121,387	1,097,398	20,424
Compensated absences due in more than one year	264,900	112,335	377,235	58,351
Claims payable due within one year	1,013,735	-	1,013,735	-
Claims payable due in more than one year	363,995	-	363,995	-
Landfill postclosure care costs due within one year	-	5,747	5,747	-
Landfill postclosure care costs due in more than one year	-	22,988	22,988	-
OPEB liability due in more than one year	209,594	-	209,594	-
Total liabilities	<u>13,655,679</u>	<u>88,391,820</u>	<u>102,047,499</u>	<u>128,284</u>
NET POSITION				
Net investment in capital assets	102,657,027	43,139,230	145,796,257	3,983,616
Restricted for:				
Judicial	724,273	-	724,273	-
Public safety	355,841	-	355,841	-
Health and welfare	127,001	-	127,001	-
Grant programs	260	-	260	-
Capital projects	6,569,101	-	6,569,101	-
Debt service	1,672,000	5,590,932	7,262,932	-
Unrestricted	21,822,655	27,386,469	49,209,124	1,632,784
Total net position	<u>\$ 133,928,158</u>	<u>\$ 76,116,631</u>	<u>\$ 210,044,789</u>	<u>\$ 5,616,400</u>

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

WALTON COUNTY, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities		Total
Primary government:								
Governmental activities:								
General government	\$ 6,941,134	\$ 2,777,666	\$ 3,390	\$ -	\$ (4,160,078)	\$ -	\$ (4,160,078)	
Judicial	4,908,346	1,109,220	88,471	-	(3,710,655)	-	(3,710,655)	
Public safety	21,166,072	1,810,944	825,865	114,277	(18,414,986)	-	(18,414,986)	
Public works	11,594,178	1,339,928	705,331	127,276	(9,421,643)	-	(9,421,643)	
Health and welfare	1,048,697	108,782	45,000	-	(894,915)	-	(894,915)	
Culture and recreation	3,548,735	856,914	2,500	-	(2,689,321)	-	(2,689,321)	
Housing and development	1,289,418	49,225	-	-	(1,240,193)	-	(1,240,193)	
Interest on long-term debt	610,584	-	-	-	(610,584)	-	(610,584)	
Total governmental activities	<u>51,107,164</u>	<u>8,052,679</u>	<u>1,670,557</u>	<u>241,553</u>	<u>(41,142,375)</u>	<u>-</u>	<u>(41,142,375)</u>	
Business-type activities:								
EMS	2,716,620	1,866,832	-	-	(849,788)	-	(849,788)	
Water and sewer	7,538,461	9,104,586	-	901,911	2,468,036	-	2,468,036	
Solid waste	1,058,556	591,560	-	-	(466,996)	-	(466,996)	
Total business-type activities	<u>11,313,637</u>	<u>11,562,978</u>	<u>-</u>	<u>901,911</u>	<u>1,151,252</u>	<u>-</u>	<u>1,151,252</u>	
Total primary government	<u>\$ 62,420,801</u>	<u>\$ 19,615,657</u>	<u>\$ 1,670,557</u>	<u>\$ 1,143,464</u>	<u>(41,142,375)</u>	<u>1,151,252</u>	<u>(39,991,123)</u>	
Component units	<u>\$ 1,947,099</u>	<u>\$ 675,232</u>	<u>\$ 1,446,288</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>174,421</u>	
General revenues:								
Property taxes					28,854,362		28,854,362	
Sales taxes					15,930,931		15,930,931	
Insurance premium taxes					2,515,356		2,515,356	
Business taxes					643,355		643,355	
Alcoholic beverage taxes					212,936		212,936	
Unrestricted investment earnings					53,679	19,761	73,440	
Transfers					(1,446,270)	1,446,270	-	
Total general revenues and transfers					46,764,349	1,466,031	48,230,380	
Change in net position					5,621,974	2,617,283	8,239,257	
Net position, beginning of year, restated					128,306,184	73,499,348	201,805,532	
Net position, end of year					<u>\$ 133,928,158</u>	<u>\$ 76,116,631</u>	<u>\$ 210,044,789</u>	

The accompanying notes are an integral part of these financial statements

WALTON COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

ASSETS	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 20,599,546	\$ -	\$ 5,741,340	\$ 26,340,886
Restricted cash and cash equivalents	-	1,675,579	2,445,005	4,120,584
Investments	-	-	54,994	54,994
Accounts receivable, net	948,243	-	270,671	1,218,914
Due from other governments	566,559	-	768,967	1,335,526
Due from other funds	377,635	-	12,206	389,841
Prepays	44,052	7,197	224,338	275,587
Inventory	262,444	-	-	262,444
Property held for resale	39,900	-	-	39,900
Total assets	<u>\$ 22,838,379</u>	<u>\$ 1,682,776</u>	<u>\$ 9,517,521</u>	<u>\$ 34,038,676</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,940,963	\$ 3,579	\$ 194,024	\$ 2,138,566
Accrued liabilities	-	-	39,139	39,139
Unearned revenue	-	-	45,104	45,104
Due to other funds	11,413	-	172,638	184,051
Due to other governments	-	-	612,876	612,876
Due to component units	-	-	12,335	12,335
Total liabilities	<u>1,952,376</u>	<u>3,579</u>	<u>1,076,116</u>	<u>3,032,071</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	800,380	-	-	800,380
Unavailable revenue - intergovernmental	66,294	-	-	66,294
Total deferred inflows of resources	<u>866,674</u>	<u>-</u>	<u>-</u>	<u>866,674</u>
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepays	44,052	7,197	224,338	275,587
Inventory	262,444	-	-	262,444
Restricted for:				
Judicial	-	-	724,273	724,273
Public safety	39,900	-	315,941	355,841
Health and welfare	-	-	127,001	127,001
Grant programs	-	-	260	260
Capital projects	-	-	6,569,101	6,569,101
Debt service	-	1,672,000	-	1,672,000
Committed to:				
Inmate needs	-	-	213,637	213,637
Sheriff's expenditures	-	-	266,854	266,854
Unassigned	19,672,933	-	-	19,672,933
Total fund balances	<u>20,019,329</u>	<u>1,679,197</u>	<u>8,441,405</u>	<u>30,139,931</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,838,379</u>	<u>\$ 1,682,776</u>	<u>\$ 9,517,521</u>	

Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	110,605,024
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	866,674
Net pension asset is not a financial resource used in governmental fund activities and is therefore not reported in governmental funds.	471,641
Net other post employment benefit obligation is not a financial liability in governmental fund activities and is therefore not reported in governmental funds.	(209,594)
Internal service funds are used by management to charge the costs of health benefits and workers compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,273,843
Certain long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.	<u>(9,219,361)</u>
Net position of governmental activities	<u>\$ 133,928,158</u>

The accompanying notes are an integral part of these financial statements

WALTON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 38,525,099	\$ 5,007,769	\$ 4,657,386	\$ 48,190,254
Licenses and permits	361,909	-	-	361,909
Intergovernmental	1,114,251	-	710,115	1,824,366
Charges for services	4,117,748	-	1,639,108	5,756,856
Fines and forfeitures	1,138,258	-	216,053	1,354,311
Interest income	42,418	6,722	12,973	62,113
Contributions	7,134	-	16,014	23,148
Other revenues	514,367	-	59,551	573,918
Total revenues	<u>45,821,184</u>	<u>5,014,491</u>	<u>7,311,200</u>	<u>58,146,875</u>
Expenditures				
Current:				
General government	6,570,722	-	19,353	6,590,075
Judicial	4,551,026	-	356,034	4,907,060
Public safety	17,850,510	-	2,395,768	20,246,278
Public works	5,832,479	-	481,359	6,313,838
Health and welfare	787,873	-	185,753	973,626
Culture and recreation	2,840,867	-	24,481	2,865,348
Housing and development	1,294,540	-	-	1,294,540
Intergovernmental	-	-	4,511,216	4,511,216
Capital outlay	-	-	2,651,787	2,651,787
Debt service:				
Principal	-	14,222,948	96,102	14,319,050
Interest and fiscal charges	-	734,409	358,918	1,093,327
Total expenditures	<u>39,728,017</u>	<u>14,957,357</u>	<u>11,080,771</u>	<u>65,766,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,093,167</u>	<u>(9,942,866)</u>	<u>(3,769,571)</u>	<u>(7,619,270)</u>
Other financing sources (uses):				
Proceeds from sale of assets	11,585	-	-	11,585
Transfers in	170,163	5,996,300	628,108	6,794,571
Transfers out	<u>(7,816,588)</u>	<u>-</u>	<u>(424,253)</u>	<u>(8,240,841)</u>
Total other financing sources (uses)	<u>(7,634,840)</u>	<u>5,996,300</u>	<u>203,855</u>	<u>(1,434,685)</u>
Net change in fund balances	<u>(1,541,673)</u>	<u>(3,946,566)</u>	<u>(3,565,716)</u>	<u>(9,053,955)</u>
Fund balances, beginning of year	<u>21,561,002</u>	<u>5,625,763</u>	<u>12,007,121</u>	<u>39,193,886</u>
Fund balances, end of year	<u>\$ 20,019,329</u>	<u>\$ 1,679,197</u>	<u>\$ 8,441,405</u>	<u>\$ 30,139,931</u>

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

WALTON COUNTY, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Net change in fund balances - total governmental funds.	\$ (9,053,955)
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.	(275,365)
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, donations) is to decrease net position.	(59,839)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	28,533
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 position. Also, governmental funds report the effect of 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.	14,462,013
Internal service funds are used by management to charge the costs of health benefits and workers compensation to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	261,022
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>259,565</u>
Change in net position of governmental activities	<u>\$ 5,621,974</u>

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

WALTON COUNTY, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	EMS	Water and Sewer	Solid Waste	Total	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 123	\$ 7,737,210	\$ 16,813	\$ 7,754,146	\$ 1,260,885
Restricted cash and cash equivalents	-	17,739,672	-	17,739,672	-
Investments	-	1,444,996	-	1,444,996	1,456,212
Accounts receivable, net of allowance	354,955	786,418	40,762	1,182,135	43,434
Interest receivable	-	1,659	-	1,659	58
Due from other funds	-	-	-	-	12,616
Intergovernmental receivable	-	477,963	-	477,963	-
Inventory	-	213,329	7,185	220,514	-
Prepays	12,437	1,183	433	14,053	116,137
Total current assets	<u>367,515</u>	<u>28,402,430</u>	<u>65,193</u>	<u>28,835,138</u>	<u>2,889,342</u>
NONCURRENT ASSETS					
Intergovernmental receivable	-	19,535,000	-	19,535,000	-
Capital assets:					
Nondepreciable	-	64,781,908	352,120	65,134,028	-
Depreciable, net of accumulated depreciation	171,662	49,432,986	173,568	49,778,216	-
Total noncurrent assets	<u>171,662</u>	<u>133,749,894</u>	<u>525,688</u>	<u>134,447,244</u>	<u>-</u>
Total assets	<u>539,177</u>	<u>162,152,324</u>	<u>590,881</u>	<u>163,282,382</u>	<u>2,889,342</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	-	1,207,680	-	1,207,680	-
Total deferred outflows of resources	<u>-</u>	<u>1,207,680</u>	<u>-</u>	<u>1,207,680</u>	<u>-</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	33,680	705,929	31,831	771,440	974
Accrued expenses	78,855	45,885	20,078	144,818	-
Accrued interest	-	1,496,195	-	1,496,195	-
Customer deposits payable	-	890,691	-	890,691	-
Due to other funds	223	200,630	17,553	218,406	-
Claims payable - current portion	-	-	-	-	1,013,735
Bonds payable - current portion	-	1,680,000	-	1,680,000	-
Landfill postclosure care costs - current portion	-	-	5,747	5,747	-
Compensated absences - current portion	53,472	47,005	20,910	121,387	-
Total current liabilities	<u>166,230</u>	<u>5,066,335</u>	<u>96,119</u>	<u>5,328,684</u>	<u>1,014,709</u>
NONCURRENT LIABILITIES					
Claims payable - long term portion	-	-	-	-	363,995
Notes payable - long term portion	-	1,011,898	-	1,011,898	-
Bonds payable - long term portion	-	82,134,321	-	82,134,321	-
Landfill postclosure care costs - long term portion	-	-	22,988	22,988	-
Compensated absences - long term portion	60,357	43,427	8,551	112,335	-
Total long term liabilities	<u>60,357</u>	<u>83,189,646</u>	<u>31,539</u>	<u>83,281,542</u>	<u>363,995</u>
Total liabilities	<u>226,587</u>	<u>88,255,981</u>	<u>127,658</u>	<u>88,610,226</u>	<u>1,378,704</u>
NET POSITION					
Net investment in capital assets	171,662	42,441,880	525,688	43,139,230	-
Restricted for debt service	-	5,590,932	-	5,590,932	-
Unrestricted	140,928	27,071,211	(62,465)	27,149,674	1,510,638
Total net position	<u>\$ 312,590</u>	<u>\$ 75,104,023</u>	<u>\$ 463,223</u>	<u>75,879,836</u>	<u>\$ 1,510,638</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				236,795	
Net position of business-type activities				<u>\$ 76,116,631</u>	

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

WALTON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	EMS	Water and Sewer	Solid Waste	Total	
OPERATING REVENUES					
Charges for services	\$ 1,758,441	\$ 624,437	\$ 591,560	\$ 2,974,438	\$ 5,914,079
Water sales	-	8,454,062	-	8,454,062	-
Contributions	3,452	-	-	3,452	-
Other revenue	104,939	26,087	-	131,026	165
Total operating revenues	<u>1,866,832</u>	<u>9,104,586</u>	<u>591,560</u>	<u>11,562,978</u>	<u>5,914,244</u>
OPERATING EXPENSES					
Personnel costs	2,411,578	1,356,312	654,548	4,422,438	-
Purchased services	37,437	415,445	107,802	560,684	-
Supplies	206,242	678,032	-	884,274	-
Water and sewer purchases	-	2,273,903	-	2,273,903	-
Disposal fees	-	-	275,012	275,012	-
Administrative	-	-	-	-	785,312
Claims	-	-	-	-	4,536,403
Fiduciary fees	-	-	-	-	12,294
Insurance	-	-	-	-	291,462
Depreciation and amortization	61,363	2,106,152	21,194	2,188,709	-
Total operating expenses	<u>2,716,620</u>	<u>6,829,844</u>	<u>1,058,556</u>	<u>10,605,020</u>	<u>5,625,471</u>
Operating income (loss)	<u>(849,788)</u>	<u>2,274,742</u>	<u>(466,996)</u>	<u>957,958</u>	<u>288,773</u>
NONOPERATING REVENUES (EXPENSES)					
Interest expense	-	(736,259)	-	(736,259)	-
Interest income	354	19,386	21	19,761	1,158
Loss on disposal of capital assets	-	(1,267)	-	(1,267)	-
Total nonoperating revenues (expenses)	<u>354</u>	<u>(718,140)</u>	<u>21</u>	<u>(717,765)</u>	<u>1,158</u>
Income (loss) before capital contributions and transfers	<u>(849,434)</u>	<u>1,556,602</u>	<u>(466,975)</u>	<u>240,193</u>	<u>289,931</u>
Capital contributions	-	901,911	-	901,911	-
Transfers in	<u>827,755</u>	<u>128,195</u>	<u>490,320</u>	<u>1,446,270</u>	<u>-</u>
Change in net position	<u>(21,679)</u>	<u>2,586,708</u>	<u>23,345</u>	<u>2,588,374</u>	<u>289,931</u>
NET POSITION, beginning of year, restated	<u>334,269</u>	<u>72,517,315</u>	<u>439,878</u>		<u>1,220,707</u>
NET POSITION, end of year	<u>\$ 312,590</u>	<u>\$ 75,104,023</u>	<u>\$ 463,223</u>		<u>\$ 1,510,638</u>
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	
					<u>28,909</u>
				Change in net position of business-type activities	<u>\$ 2,617,283</u>

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

WALTON COUNTY, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	EMS	Water and Sewer	Solid Waste	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,908,361	\$ 9,230,192	\$ 576,451	\$ 11,715,004	\$ 6,319,704
Payments to suppliers	(237,329)	(2,787,341)	(396,872)	(3,421,542)	(5,989,031)
Payments to employees	(2,415,435)	(1,351,406)	(656,339)	(4,423,180)	-
Net cash provided by (used in) operating activities	<u>(744,403)</u>	<u>5,091,445</u>	<u>(476,760)</u>	<u>3,870,282</u>	<u>330,673</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	827,755	128,195	490,320	1,446,270	-
Net cash provided by noncapital financing activities	<u>827,755</u>	<u>128,195</u>	<u>490,320</u>	<u>1,446,270</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisitions of capital assets	(83,706)	(9,777,133)	(15,000)	(9,875,839)	-
Sale of capital assets	-	14,389	-	14,389	-
Receipts from other governments for capital related activity	-	901,911	-	901,911	-
Principal received on notes	-	910,647	-	910,647	-
Principal payments on bonds	-	(1,635,000)	-	(1,635,000)	-
Interest paid	-	(3,642,723)	-	(3,642,723)	-
Net cash used in capital and related financing activities	<u>(83,706)</u>	<u>(13,227,909)</u>	<u>(15,000)</u>	<u>(13,326,615)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	-	(4,818)	-	(4,818)	(331,029)
Interest received	354	21,020	21	21,395	1,113
Net cash provided by (used in) investing activities	<u>354</u>	<u>16,202</u>	<u>21</u>	<u>16,577</u>	<u>(329,916)</u>
Change in cash and cash equivalents	-	(7,992,067)	(1,419)	(7,993,486)	757
Cash and cash equivalents:					
Beginning of year	123	33,468,949	18,232	33,487,304	1,260,128
End of year	<u>\$ 123</u>	<u>\$ 25,476,882</u>	<u>\$ 16,813</u>	<u>\$ 25,493,818</u>	<u>\$ 1,260,885</u>
Classified as:					
Cash	\$ 123	\$ 7,737,210	\$ 16,813	\$ 7,754,146	\$ 1,260,885
Restricted cash	-	17,739,672	-	17,739,672	-
Total	<u>\$ 123</u>	<u>\$ 25,476,882</u>	<u>\$ 16,813</u>	<u>\$ 25,493,818</u>	<u>\$ 1,260,885</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (849,788)	\$ 2,274,742	\$ (466,996)	\$ 957,958	\$ 288,773
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	61,363	2,106,152	21,194	2,188,709	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	41,529	125,606	(15,109)	152,026	401,697
Decrease in due from other funds	-	-	-	-	3,763
(Increase) decrease in inventory	-	9,627	(595)	9,032	-
(Increase) decrease in prepaids	(1,162)	599	(41)	(604)	(12,278)
Increase (decrease) in accounts payable	7,635	404,805	(6,038)	406,402	(15,805)
Increase (decrease) in accrued expenses	7,288	(2,535)	(1,566)	3,187	(335,477)
Decrease in landfill postclosure liability	-	-	(5,747)	(5,747)	-
Increase in customer deposits payable	-	43,696	-	43,696	-
Increase (decrease) in compensated absences	(11,145)	7,441	(225)	(3,929)	-
Increase (decrease) in due to other funds	(123)	121,312	(1,637)	119,552	-
Net cash provided by (used in) operating activities	<u>(744,403)</u>	<u>5,091,445</u>	<u>(476,760)</u>	<u>3,870,282</u>	<u>330,673</u>

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

WALTON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,236,160
Taxes receivable	1,536,149
	<hr/>
Total assets	\$ 3,772,309
	<hr/>
LIABILITIES	
Due to others	\$ 2,236,160
Uncollected taxes	1,536,149
	<hr/>
Total liabilities	\$ 3,772,309
	<hr/>

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

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2013**

	<u>Development Authority</u>	<u>Health Department</u>	<u>Commission on Children & Youth</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 445,879	\$ 1,120,755	\$ 107,386	\$ 1,674,020
Accounts receivable	2,000	72,657	-	74,657
Due from primary government	-	-	12,335	12,335
Prepays	56	-	-	56
Total current assets	<u>447,935</u>	<u>1,193,412</u>	<u>119,721</u>	<u>1,761,068</u>
NONCURRENT ASSETS				
Capital assets:				
Nondepreciable	3,945,813	-	-	3,945,813
Depreciable, net of accumulated depreciation	18,886	18,917	-	37,803
Total noncurrent assets	<u>3,964,699</u>	<u>18,917</u>	<u>-</u>	<u>3,983,616</u>
Total assets	<u>4,412,634</u>	<u>1,212,329</u>	<u>119,721</u>	<u>5,744,684</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	-	45,696	1,383	47,079
Accrued expenses	2,430	-	-	2,430
Compensated absences - current portion	-	20,424	-	20,424
Total current liabilities	<u>2,430</u>	<u>66,120</u>	<u>1,383</u>	<u>69,933</u>
NONCURRENT LIABILITIES				
Compensated absences - long term portion	-	58,351	-	58,351
Total long term liabilities	<u>-</u>	<u>58,351</u>	<u>-</u>	<u>58,351</u>
Total liabilities	<u>2,430</u>	<u>124,471</u>	<u>1,383</u>	<u>128,284</u>
NET POSITION				
Investment in capital assets	3,964,699	18,917	-	3,983,616
Unrestricted	445,505	1,068,941	118,338	1,632,784
Total net position	<u>\$ 4,410,204</u>	<u>\$ 1,087,858</u>	<u>\$ 118,338</u>	<u>\$ 5,616,400</u>

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

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Development Authority	Health Department	Commission on Children & Youth	Total
Development Authority	\$ 190,297	\$ -	\$ 190,835	\$ -	\$ 538	\$ -	\$ -	\$ 538
Health Department	1,643,777	652,869	1,184,366	-	-	193,458	-	193,458
Commission on Children & Youth	113,025	22,363	71,087	-	-	-	(19,575)	(19,575)
Total component units	<u>\$ 1,947,099</u>	<u>\$ 675,232</u>	<u>\$ 1,446,288</u>	<u>\$ -</u>	<u>538</u>	<u>193,458</u>	<u>(19,575)</u>	<u>174,421</u>
General revenues:								
Unrestricted investment earnings					1,881	3,716	-	5,597
Total general revenues					1,881	3,716	-	5,597
Change in net position					2,419	197,174	(19,575)	180,018
Net position, beginning of year					4,407,785	890,684	137,913	5,436,382
Net position, end of year					<u>\$ 4,410,204</u>	<u>\$ 1,087,858</u>	<u>\$ 118,338</u>	<u>\$ 5,616,400</u>

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

WALTON COUNTY, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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 Units

The Walton County Water and Sewer Authority (the "Water Authority") exists to acquire, construct and finance a water and sewerage system for the County so that the County can 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

The Walton County Public Purpose Corporation (WCPPC) was established to account for the construction and ongoing maintenance of the State of Georgia Division of Family and Children Services building, which is owned by the County and leased to the State. The WCPPC is organized pursuant to the Georgia Nonprofit Corporation Code. The objects and purposes of the WCPPC are exclusively charitable, through the lessening of the burdens of government, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future tax law. The WCPPC is presented as blended as its primary purpose is to provide services almost entirely to the County. Separate financial statements for the WCPPC are not prepared.

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 and contributes funds annually to the Health Department. The Health Department is presented as a governmental type component unit. 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 County has determined that excluding the Development Authority would make the financial statements incomplete. 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 the County has determined that excluding the Commission would make the financial statements incomplete. The Commission is reported as a governmental type component unit and does not issue separate financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 if availability criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

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

The 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

In accounting and reporting for its proprietary operations, the County applies all GASB pronouncements. For the fiscal year ended June 30, 2013, the County implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

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. These items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows / Inflows of Resources

The County implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the proprietary fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County's unavailable revenues arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants, which will be recognized as an inflow of resources in the period in which the amounts become available.

I. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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 position. Bond premiums and discounts 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 expenses in the period in which they occur.

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.

K. Fund Equity

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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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.

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 Position – Net position represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets 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 position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

L. 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.

NOTES TO FINANCIAL STATEMENTS

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 Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$9,219,361 difference are as follows:

Contracts payable	\$	(2,219,864)
Capital lease payable		(5,728,133)
Accrued interest		(30,453)
Compensated absences		(1,240,911)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	(9,219,361)

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 position 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 \$275,365 difference are as follows:

Capital outlay	\$	4,137,390
Depreciation expense		(4,412,755)
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$	(275,365)

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.” The details of this \$59,839 difference are as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold.

\$ (59,839)

Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*

\$ (59,839)

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 position.” The details of this \$14,462,013 difference are as follows:

Principal repayments on bonds payable	\$ 13,915,000
Principal repayments on contracts payable	235,866
Principal repayments on capital lease	168,184
Amortization of premium on bonds payable	142,963
	<u>14,462,013</u>

Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*

\$ 14,462,013

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$259,565 difference are as follows:

Compensated absences	\$ (6,626)
Net pension asset	(21,644)
OPEB liability	(51,945)
Accrued interest	<u>339,780</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ 259,565</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

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

NOTES TO FINANCIAL STATEMENTS

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 AAAf 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 the State Treasurer of the State of Georgia. As of June 30, 2013, 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 (other than federal or state government instruments) to be collateralized 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2013, the deposits of the County and its component units are insured or collateralized as defined by GASB pronouncements.

At June 30, 2013, the County had the following investments that are included in the custodial credit risk discussion above related to deposits:

<u>Investment</u>	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value</u>
Certificate of deposit	March 28, 2014	N/A	\$ 54,994
Certificate of deposit	September 2, 2013	N/A	1,444,996
Georgia Fund 1	43 days weighted average	AAAf	46,224,161
Money markets	N/A	N/A	1,456,212
			<u>\$ 49,180,363</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2013, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General Fund</u>	<u>EMS Fund</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>All Other Governmental Funds</u>	<u>Internal Service Funds</u>
Receivables:						
Taxes	\$ 893,530	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	54,713	793,945	812,340	40,762	270,671	136,445
Due from other governments	<u>566,559</u>	<u>-</u>	<u>477,963</u>	<u>-</u>	<u>768,967</u>	<u>-</u>
Gross receivables	1,514,802	793,945	1,290,303	40,762	1,039,638	136,445
Less allowance for uncollectibles	<u>-</u>	<u>(438,990)</u>	<u>(25,922)</u>	<u>-</u>	<u>-</u>	<u>(93,011)</u>
Net receivables	<u>\$ 1,514,802</u>	<u>\$ 354,955</u>	<u>\$ 1,264,381</u>	<u>\$ 40,762</u>	<u>\$ 1,039,638</u>	<u>\$ 43,434</u>

Property taxes for the 2013 fiscal year were levied on September 17, 2012, with property values assessed as of January 1, 2012. The taxes were billed on September 22, 2012 and are payable on or before December 10, 2012, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes attached as an enforceable lien on property as of January 1.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 18,959,104	\$ -	\$ -	\$ 11,024	\$ 18,970,128
Construction in progress	4,615,855	3,712,155	(40,784)	(8,169,860)	117,366
Historical artifacts	11,000	-	-	-	11,000
Other assets	3,543,277	-	-	-	3,543,277
Total capital assets, not being depreciated	<u>27,129,236</u>	<u>3,712,155</u>	<u>(40,784)</u>	<u>(8,158,836)</u>	<u>22,641,771</u>
Capital assets, being depreciated:					
Buildings and improvements	62,991,580	-	(41,773)	5,971,208	68,921,015
Machinery, equipment and vehicles	29,990,674	425,235	(57,982)	224,740	30,582,667
Infrastructure	68,786,996	-	-	1,962,888	70,749,884
Total capital assets, being depreciated	<u>161,769,250</u>	<u>425,235</u>	<u>(99,755)</u>	<u>8,158,836</u>	<u>170,253,566</u>
Less accumulated depreciation for:					
Buildings and improvements	17,573,641	1,765,620	(22,718)	-	19,316,543
Machinery, equipment and vehicles	18,526,958	1,385,443	(57,982)	-	19,854,419
Infrastructure	41,857,659	1,261,692	-	-	43,119,351
Total accumulated depreciation	<u>77,958,258</u>	<u>4,412,755</u>	<u>(80,700)</u>	<u>-</u>	<u>82,290,313</u>
Total capital assets, being depreciated, net	<u>83,810,992</u>	<u>(3,987,520)</u>	<u>(19,055)</u>	<u>8,158,836</u>	<u>87,963,253</u>
Governmental activities capital assets, net	<u>\$ 110,940,228</u>	<u>\$ (275,365)</u>	<u>\$ (59,839)</u>	<u>\$ -</u>	<u>\$ 110,605,024</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 470,170	\$ -	\$ -	\$ 470,170
ROW and easements	106,047	-	-	106,047
Construction in progress	<u>51,947,674</u>	<u>12,610,137</u>	<u>-</u>	<u>64,557,811</u>
Total capital assets, not being depreciated	<u>52,523,891</u>	<u>12,610,137</u>	<u>-</u>	<u>65,134,028</u>
Capital assets, being depreciated:				
Buildings and improvements	896,465	-	-	896,465
Machinery, equipment and vehicles	1,560,946	98,706	-	1,659,652
Water system	41,296,393	-	-	41,296,393
Water system - contributed	21,103,968	-	-	21,103,968
Wells	47,225	-	-	47,225
System equipment	1,990,343	53,166	(22,465)	2,021,044
Cornish Creek - water rights	<u>5,788,729</u>	<u>-</u>	<u>-</u>	<u>5,788,729</u>
Total capital assets, being depreciated	<u>72,684,069</u>	<u>151,872</u>	<u>(22,465)</u>	<u>72,813,476</u>
Less accumulated depreciation for:				
Buildings and improvements	574,398	31,795	-	606,193
Machinery, equipment and vehicles	1,346,259	75,552	-	1,421,811
Water system	12,313,112	1,379,720	-	13,692,832
Water system - contributed	4,725,789	457,624	-	5,183,413
Wells	22,400	1,050	-	23,450
System equipment	1,707,235	50,163	(6,809)	1,750,589
Cornish Creek - water rights	<u>241,198</u>	<u>115,774</u>	<u>-</u>	<u>356,972</u>
Total accumulated depreciation	<u>20,930,391</u>	<u>2,111,678</u>	<u>(6,809)</u>	<u>23,035,260</u>
Total capital assets, being depreciated, net	<u>51,753,678</u>	<u>(1,959,806)</u>	<u>(15,656)</u>	<u>49,778,216</u>
Business-type activities capital assets, net	<u>\$ 104,277,569</u>	<u>\$ 10,650,331</u>	<u>\$ (15,656)</u>	<u>\$ 114,912,244</u>

The amount of interest capitalized and included in construction in progress during the year ended June 30, 2013 was \$2,886,170.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	\$ 687,317
Judicial	16,242
Public safety	1,530,316
Public works	1,403,381
Health and welfare	75,071
Culture and recreation	699,809
Housing and development	619
Total depreciation expense - governmental activities	<u><u>\$ 4,412,755</u></u>
Business-type activities:	
EMS	\$ 61,363
Water and sewer	2,029,121
Solid waste	21,194
Total depreciation expense - business-type activities	<u><u>\$ 2,111,678</u></u>

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Property held for resale	\$ 2,817,844	\$ -	\$ -	\$ 2,817,844
Construction in progress	1,127,969	-	-	1,127,969
Total	<u>3,945,813</u>	<u>-</u>	<u>-</u>	<u>3,945,813</u>
Capital assets, being depreciated:				
Equipment, furniture and vehicles	47,363	1,111	-	48,474
Total	<u>47,363</u>	<u>1,111</u>	<u>-</u>	<u>48,474</u>
Less accumulated depreciation for:				
Equipment, furniture and vehicles	23,280	6,308	-	29,588
Total	<u>23,280</u>	<u>6,308</u>	<u>-</u>	<u>29,588</u>
Total capital assets, being depreciated, net	<u>24,083</u>	<u>(5,197)</u>	<u>-</u>	<u>18,886</u>
Total capital assets, net	<u><u>\$ 3,969,896</u></u>	<u><u>\$ (5,197)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,964,699</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Department of Public Health

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 148,583	\$ 3,740	\$ (23,387)	\$ 128,936
Total capital assets, being depreciated	<u>148,583</u>	<u>3,740</u>	<u>(23,387)</u>	<u>128,936</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>121,735</u>	<u>11,671</u>	<u>(23,387)</u>	<u>110,019</u>
Total accumulated depreciation	<u>121,735</u>	<u>11,671</u>	<u>(23,387)</u>	<u>110,019</u>
Total capital assets, net	<u>\$ 26,848</u>	<u>\$ (7,931)</u>	<u>\$ -</u>	<u>\$ 18,917</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	160,300
General fund	Water and sewer	200,522
General fund	Solid waste	16,813
Nonmajor governmental funds	Nonmajor governmental funds	12,206
Internal service funds	General fund	11,413
Internal service funds	Nonmajor governmental funds	132
Internal service funds	Water and sewer	108
Internal service funds	EMS	223
Internal service funds	Solid waste	740

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.

NOTES TO FINANCIAL STATEMENTS

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

Interfund transfers for the year ended June 30, 2013 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 170,163
Debt service	General fund	5,996,300
Water and sewer	Nonmajor governmental funds	128,195
EMS	General fund	827,755
Solid waste	General fund	490,320
Nonmajor governmental funds	General fund	502,213
Nonmajor governmental funds	Nonmajor governmental funds	125,895

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

Due from/to primary government and component units:

<u>Receivable entity</u>	<u>Payable entity</u>	<u>Amount</u>
Commission on Children & Youth	Walton County - Multiple Grant Fund	\$ 12,335

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 13,915,000	\$ -	\$ (13,915,000)	\$ -	\$ -
Plus: premium	142,963	-	(142,963)	-	-
Total bonds payable	14,057,963	-	(14,057,963)	-	-
Contracts payable	2,455,730	-	(235,866)	2,219,864	238,579
Capital leases payable	5,896,317	-	(168,184)	5,728,133	224,061
Claims payable	1,713,207	4,536,403	(4,871,880)	1,377,730	1,013,735
OPEB liability	157,649	79,152	(27,207)	209,594	-
Compensated absences	1,234,285	977,425	(970,799)	1,240,911	976,011
Governmental activities long-term liabilities	<u>\$ 25,515,151</u>	<u>\$ 5,592,980</u>	<u>\$ (20,331,899)</u>	<u>\$ 10,776,232</u>	<u>\$ 2,452,386</u>
Business-type Activities:					
Bonds payable	\$ 83,945,000	\$ -	\$ (1,635,000)	\$ 82,310,000	\$ 1,680,000
Plus: premium	1,710,269	-	(102,211)	1,608,058	-
Less: discount	(110,344)	-	6,607	(103,737)	-
Total bonds payable	85,544,925	-	(1,730,604)	83,814,321	1,680,000
Notes payable	-	1,011,898	-	1,011,898	-
Landfill postclosure costs	34,482	-	(5,747)	28,735	5,747
Compensated absences	237,651	120,617	(124,546)	233,722	121,387
Business-type activities long-term liabilities	<u>\$ 85,817,058</u>	<u>\$ 1,132,515</u>	<u>\$ (1,860,897)</u>	<u>\$ 85,088,676</u>	<u>\$ 1,807,134</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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 an interest rate of 2.5%.

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 Finance 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%

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 238,579	\$ 63,078	\$ 301,657
2015	241,445	55,524	296,969
2016	244,475	47,807	292,282
2017	285,176	38,981	324,157
2018	288,558	29,575	318,133
2019 - 2023	921,631	32,913	954,544
Total	<u>\$ 2,219,864</u>	<u>\$ 267,878</u>	<u>\$ 2,487,742</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Capital Leases 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, 2013 is \$360,412 and there has been \$339,788 of accumulated depreciation as of year end.

Future minimum lease payments as of June 30, 2013 are as follows:

<u>Year ending June 30,</u>	<u>Total Payment</u>
2014	\$ 76,745
2015	74,414
Total minimum lease payments	<u>151,159</u>
Less: interest payments	<u>(6,994)</u>
Present value minimum lease payments	<u>\$ 144,165</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

In February 2012, the County entered into a lease-purchase agreement in the amount of \$5,680,069 to finance the construction of a building. At June 30, 2013, the construction of the building was complete. The original cost of the County's assets under capital lease arrangements at June 30, 2013 is \$5,254,600 and there has been \$67,367 of accumulated depreciation as of year-end. Monthly principal and interest payments are required until maturity on October 1, 2032 at an interest rate of 6.35%.

Future minimum lease payments as of June 30, 2013 are as follows:

Year ending June 30,	Total Payment
2014	\$ 502,188
2015	502,188
2016	502,188
2017	502,188
2018	502,188
2019-2023	2,510,938
2024-2028	2,510,938
2029-2033	2,176,146
Total minimum lease payments	9,708,962
Less: interest payments	(4,124,994)
Present value minimum lease payments	\$ 5,583,968

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

Issuance	Interest Rate	Term	Due Date	Original Amount	Amount Outstanding
Series 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	5,500,000
Series 2012	3.13%	16 years	2028	17,055,000	16,285,000
				\$ 84,995,000	\$ 82,310,000

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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, 2013, the balance of the intergovernmental receivable totaled \$20,012,963, 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.

The Series 2012 bonds listed above were issued in an advanced refunding of the Series 2002 bonds as well as a current refunding of two notes payable. The bonds mature in February 2028 and pay interest at a rate of 3.13%.

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,680,000	\$ 3,590,869	\$ 5,270,869
2015	3,155,000	3,540,818	6,695,818
2016	3,195,000	3,436,907	6,631,907
2017	2,970,000	3,331,359	6,301,359
2018	2,855,000	3,231,709	6,086,709
2019 - 2023	15,960,000	14,461,804	30,421,804
2024 - 2028	18,815,000	10,885,542	29,700,542
2029 - 2033	14,790,000	7,013,500	21,803,500
2034 - 2038	18,890,000	2,925,000	21,815,000
Total	<u>\$ 82,310,000</u>	<u>\$ 52,417,508</u>	<u>\$ 134,727,508</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Note Payable. In February 2013, the Walton County Water and Sewerage Authority entered into an agreement with the Georgia Environmental Finance Authority to finance the construction of projects relating to the Hard Labor Creek Reservoir up to \$20,000,000. As June 30, 2013, the loan has a balance of \$1,011,898 and is still in the draw down phase, therefore a future payment schedule has not been established.

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, 2013, the County has 5 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately \$28,735 over the 5 year period. These costs are based on what it would cost to perform all post-closure care in 2013, 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, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 73,132	\$ 68,650	\$ (63,007)	\$ 78,775	\$ 20,424

NOTES TO FINANCIAL STATEMENTS

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, 2013, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	49
Term vested participants not receiving benefits	250
Active participants	507
	<u>806</u>

Funding Policy

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Annual Pension Cost

The County's annual pension cost and net pension obligation (asset) related to the pension plan for the County's fiscal year 2013 are as follows:

	June 30, 2013	June 30, 2012
<u>Derivation of Annual Pension Cost</u>		
Annual Required Contribution	\$ 1,089,379	\$ 1,081,567
Interest on Net Pension Obligation	(39,552)	(39,555)
Adjustments to Net Pension Obligation	42,319	42,322
Annual Pension Cost	\$ 1,092,146	\$ 1,084,334
<u>Derivation of Net Pension Obligation</u>		
Annual Pension Cost for Current Year		\$ 1,092,146
Actual Contributions to Plan for Current Year		1,070,502
Increase in Net Pension Obligation		21,644
Net Pension Obligation (Asset) as of June 30, 2012		(493,285)
Net Pension Obligation (Asset) as of June 30, 2013		\$ (471,641)

Assumptions Used in Valuation

Current Valuation Date	January 1, 2013
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.0% - 6.5% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	10 years

The following is a schedule of funding progress:

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
1/1/2013	\$ 9,108,223	\$ 11,439,891	\$ 2,331,668	79.62 %	\$ 20,658,707	11.29 %

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 assets is increasing or decreasing over time relative to the actuarial accrued liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2013.

Trend Information for The Plan				
Fiscal Year Ending	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
June 30, 2013	\$ 1,092,146	\$ 1,070,502	98.0 %	\$ (471,641)
June 30, 2012	1,084,334	1,098,110	101.3	(493,285)
June 30, 2011	1,102,953	1,145,591	103.9	(479,509)

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, 2013, the County's contribution to the plan was \$682,429 and employee contributions were \$388,786.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Retirees must pay the monthly premium established by the Board of Commissioners 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 100% of claims on a pay-as-you-go basis for eligible retired plan members.

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, 2013, are as follows:

	June 30, 2013	June 30, 2012
<u>Derivation of Annual OPEB Cost</u>		
Annual Required Contribution	\$ 81,148	\$ 72,555
Interest on Net OPEB Obligation	11,824	8,612
Adjustment to the ARC	(13,820)	(10,070)
Annual OPEB Cost	\$ 79,152	\$ 71,097

Derivation of Net OPEB Obligation

Annual OPEB Cost for Current Year	\$ 79,152
Actual Contributions to Plan for Current Year	27,207
Increase in Net OPEB Obligation	51,945
Net OPEB Obligation as of June 30, 2012	157,649
Net OPEB Obligation as of June 30, 2013	\$ 209,594

Basis of Valuation

Current Valuation Date	July 1, 2012
Actuarial Cost Method	Projected Unit Credit
Actuarial Value of Assets	Market value
Inflation Rate	5.0%
Assumed Rate of Return on Investments	7.5%
Healthcare Cost Trend Rate	8.0%
Ultimate Healthcare Trend Rate	5.0%
Year of Ultimate Trend Rate	2015
Amortization Method	Level dollar (open)
Remaining Amortization Period	26 years

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following is a schedule of funding progress:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
7/1/2012	\$ -	\$ 526,785	\$ 526,785	- %	\$ 17,111,000	3.08 %

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 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, 2012.

Trend Information for The Plan				
Fiscal Year Ending	Annual OPEB Cost (AOPC)	Actual County Contribution	Percentage of AOPC Contributed	Net OPEB Obligation
6/30/13	\$ 79,152	\$ 27,207	34.4 %	\$ 209,594
6/30/12	71,097	28,275	39.8	157,649
6/30/11	72,208	28,215	39.1	114,827

NOTE 12. RISK MANAGEMENT

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

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

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2013	\$ 887,162	\$ 4,367,024	\$ 4,579,894	\$ 674,292
2012	1,961,066	4,014,244	5,088,148	887,162

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, 2013, 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, 2013, an actuary determined that an estimated \$703,438 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2013 for which Walton County will be liable.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

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

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2013	\$ 826,045	\$ 169,379	\$ 291,986	\$ 703,438
2012	837,433	376,978	388,366	826,045

General Liability

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at June 30, 2013, the County has contractual commitments on uncompleted contracts of approximately \$10,735,276.

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, 2013, the County paid \$83,768 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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. JOINT VENTURE (CONTINUED)

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

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

Separate financial statements can be obtained from:

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

NOTE 15. CHANGES IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than accrued and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

Therefore, in conjunction with the implementation of Statement No. 65, the following restatement was required to the beginning net position of the Governmental Activities, Business-Type Activities, and Water and Sewer Fund to properly recognize debt issuance costs as expenses in the periods in which they were incurred:

Net position, Governmental Activities, previously reported	\$ 128,341,387
Recognition of issuance costs incurred in prior periods	(35,203)
Beginning net position, Governmental Activities, restated	<u>\$ 128,306,184</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 15. CHANGES IN ACCOUNTING PRINCIPLE (CONTINUED)

Net position, Business-Type Activities, previously reported	\$ 74,756,720
Recognition of issuance costs incurred in prior periods	<u>(1,257,372)</u>
Beginning net position, Business-Type Activities, restated	<u><u>\$ 73,499,348</u></u>
Net position, Water and Sewer Fund, previously reported	\$ 73,774,687
Recognition of issuance costs incurred in prior periods	<u>(1,257,372)</u>
Beginning net position, Water and Sewer Fund, restated	<u><u>\$ 72,517,315</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

WALTON COUNTY, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 29,017,343	\$ 29,677,275	\$ 28,887,676	\$ (789,599)
Sales taxes	6,000,000	6,285,286	6,265,776	(19,510)
Insurance premium taxes	2,400,000	2,515,356	2,515,356	-
Business taxes	592,000	643,360	643,355	(5)
Alcoholic beverage taxes	225,000	223,503	212,936	(10,567)
Licenses and permits	254,173	373,642	361,909	(11,733)
Intergovernmental	389,474	1,208,476	1,114,251	(94,225)
Charges for services	4,089,068	4,320,437	4,117,748	(202,689)
Fines and forfeitures	1,468,200	1,141,790	1,138,258	(3,532)
Interest	38,788	42,921	42,418	(503)
Contributions	750	8,034	7,134	(900)
Other revenues	172,052	528,162	514,367	(13,795)
Total revenues	<u>44,646,848</u>	<u>46,968,242</u>	<u>45,821,184</u>	<u>(1,147,058)</u>
Expenditures:				
Current:				
General government:				
Board of commissioners	192,530	185,031	122,952	62,079
County clerk	94,306	94,266	91,306	2,960
Chairman	141,055	168,693	161,826	6,867
Tax commissioner	741,783	794,918	756,147	38,771
Tax assessor	864,058	878,051	783,558	94,493
Elections	405,662	408,992	346,285	62,707
Financial administration	257,248	258,365	233,334	25,031
Accounting	331,715	338,354	322,433	15,921
Purchasing	80,669	81,766	74,786	6,980
Law	237,500	324,327	324,327	-
Data processing	429,382	432,732	418,095	14,637
Human resources	311,534	317,188	275,757	41,431
Board of equalization	111,617	118,671	57,016	61,655
Risk management	629,489	603,891	598,152	5,739
General government buildings	2,037,539	2,182,520	1,886,348	296,172
RDC & ACCG fees	116,324	97,741	91,556	6,185
Customer service	26,229	27,306	26,844	462
Total general government	<u>7,008,640</u>	<u>7,312,812</u>	<u>6,570,722</u>	<u>742,090</u>
Judicial:				
Superior court	905,753	906,133	662,225	243,908
Clerk of superior court	981,836	969,095	872,827	96,268
District attorney	827,919	840,142	789,953	50,189
Probate court	594,882	615,263	615,257	6
Magistrate court	374,012	379,595	362,249	17,346
Juvenile court	756,559	767,644	748,790	18,854
Public defender	507,229	517,911	499,725	18,186
Total judicial	<u>4,948,190</u>	<u>4,995,783</u>	<u>4,551,026</u>	<u>444,757</u>
Public safety:				
Sheriff's office	1,044,686	1,000,961	947,169	53,792
Law enforcement administration	899,944	917,042	859,959	57,083
Criminal investigation	1,042,207	1,058,814	1,033,551	25,263
Uniform patrol	2,807,926	2,855,576	2,573,298	282,278
Youth investigation	475,622	502,192	481,298	20,894
Jail operations	6,184,898	6,327,318	6,022,453	304,865
Court services	1,348,076	1,374,127	1,264,086	110,041
Fire administration	304,329	354,268	333,605	20,663
Fire fighting	3,539,757	3,629,346	3,579,600	49,746
Fire training	22,438	22,438	11,931	10,507
Fire stations and buildings	188,500	188,500	127,179	61,321
Coroner	75,207	59,462	50,578	8,884
Comm/ E911	13,500	13,500	3,087	10,413
Animal control	471,816	505,939	475,524	30,415
Emergency management	89,152	90,269	87,192	3,077
Total public safety	<u>18,508,058</u>	<u>18,899,752</u>	<u>17,850,510</u>	<u>1,049,242</u>

(Continued)

WALTON COUNTY, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
Public works:				
Highway and streets administration	\$ 130,938	\$ 134,268	\$ 128,493	\$ 5,775
Roadways and walkways	3,829,155	4,667,039	4,163,999	503,040
Unpaved streets	272,065	272,065	179,874	92,191
Street lighting	500,000	500,000	482,093	17,907
Traffic engineering	322,019	295,500	261,081	34,419
Maintenance and shop	450,711	498,523	485,474	13,049
Stormwater	158,120	151,450	131,465	19,985
Total public works	<u>5,663,008</u>	<u>6,518,845</u>	<u>5,832,479</u>	<u>686,366</u>
Health and welfare:				
Health centers and clinics	500,715	500,715	492,523	8,192
Aid to dependent children	96,772	96,772	96,772	-
Pauper burial costs	15,000	15,000	4,890	10,110
Walton County Senior Citizens, Inc.	189,938	189,938	189,938	-
Alcove, Inc. (shelter)	15,000	15,000	3,750	11,250
Total health and welfare	<u>817,425</u>	<u>817,425</u>	<u>787,873</u>	<u>29,552</u>
Culture and Recreation:				
Recreation programs	1,127,262	1,128,716	1,039,589	89,127
Tournament programs	321,239	317,639	220,792	96,847
Park areas	1,428,217	1,463,270	1,303,081	160,189
Library	237,776	277,405	277,405	-
Total culture and recreation	<u>3,114,494</u>	<u>3,187,030</u>	<u>2,840,867</u>	<u>346,163</u>
Housing and development:				
Conservation administration	14,024	14,024	14,024	-
USDA natural resource conservation service	50,366	57,621	49,302	8,319
County extension service	98,119	104,388	100,135	4,253
Forest resources	58,153	59,270	57,061	2,209
Protective inspection administration	342,891	348,932	327,721	21,211
Planning and zoning	431,886	438,565	424,151	14,414
Walton County planning commission	4,200	4,200	1,000	3,200
Walton County board of appeals	4,200	4,200	2,750	1,450
Code enforcement	123,169	125,402	119,886	5,516
Economic development	190,606	190,606	190,606	-
Action Inc.	7,904	7,904	7,904	-
Total housing and development	<u>1,325,518</u>	<u>1,355,112</u>	<u>1,294,540</u>	<u>60,572</u>
Total expenditures	<u>41,385,333</u>	<u>43,086,759</u>	<u>39,728,017</u>	<u>3,358,742</u>
Excess of revenues over expenditures	<u>3,261,515</u>	<u>3,881,483</u>	<u>6,093,167</u>	<u>2,211,684</u>
Other financing sources (uses):				
Proceeds from sale of assets	10,000	18,400	11,585	(6,815)
Transfers in	14,604	174,163	170,163	(4,000)
Transfers out	(9,173,399)	(8,859,290)	(7,816,588)	1,042,702
Total other financing sources (uses)	<u>(9,148,795)</u>	<u>(8,666,727)</u>	<u>(7,634,840)</u>	<u>1,031,887</u>
Net change in fund balances	(5,887,280)	(4,785,244)	(1,541,673)	3,243,571
Fund balances, beginning of year	<u>21,561,002</u>	<u>21,561,002</u>	<u>21,561,002</u>	<u>-</u>
Fund balances, end of year	<u>\$ 15,673,722</u>	<u>\$ 16,775,758</u>	<u>\$ 20,019,329</u>	<u>\$ 3,243,571</u>

WALTON COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF FUNDING PROGRESS

Defined Benefit Pension Plan						
Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
January 1, 2013	\$ 9,108,223	\$ 11,439,891	\$ 2,331,668	79.6%	\$ 20,658,707	11.3%
January 1, 2012	7,851,668	10,500,476	2,648,808	74.8%	21,000,508	12.6%
January 1, 2011	6,718,905	9,825,734	3,106,829	68.4%	20,262,687	15.3%
January 1, 2010	5,677,407	8,909,496	3,232,089	63.7%	20,784,915	15.6%
January 1, 2009	3,920,133	7,223,759	3,303,626	54.3%	19,834,984	16.7%
January 1, 2008	3,114,743	6,070,874	2,956,131	51.3%	15,760,201	18.8%

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

Other Post-Employment Benefit Plan						
Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
July 1, 2012	\$ -	\$ 526,785	\$ 526,785	0.0%	\$ 17,111,000	3.1%
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.

Walton County Public Purpose Corporation - to account for lease payments received from the Georgia Department of Family and Children's Services for the use of a County owned building.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

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

2007 SPLOST Fund – to account for the expenditures of the 2007 SPLOST.

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

2013 SPLOST Fund – to account for the expenditures of the 2013 SPLOST.

WALTON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

Special Revenue Funds							
ASSETS	Law Library	Forfeited Drug Seizure	Inmate Phone	Emergency 911	Clerk's Authority	Juvenile Supplemental Services	Multiple Grant
Cash and cash equivalents	\$ 36,069	\$ 41,504	\$ 213,637	\$ 868	\$ 115,046	\$ 276,897	\$ -
Restricted cash and cash equivalents	-	-	-	0	-	-	-
Investments	54,994	-	-	-	-	-	-
Accounts receivable	-	-	-	222,309	-	48,348	-
Due from other governments	-	-	-	-	-	-	48,777
Prepays	-	375	-	223,297	-	141	-
Due from other funds	-	-	-	-	-	-	12,206
Total assets	<u>\$ 91,063</u>	<u>\$ 41,879</u>	<u>\$ 213,637</u>	<u>\$ 446,474</u>	<u>\$ 115,046</u>	<u>\$ 325,386</u>	<u>\$ 60,983</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 18,673	\$ -	\$ 794	\$ 8,677
Accrued liabilities	-	-	-	29,362	-	-	7,149
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	80	-	-	32,562
Due to other governments	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	12,335
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,115</u>	<u>-</u>	<u>794</u>	<u>60,723</u>
FUND BALANCES							
Nonspendable:							
Prepays	-	375	-	223,297	-	141	-
Restricted for:							
Judicial	91,063	-	-	-	115,046	324,451	-
Public safety	-	41,504	-	175,062	-	-	-
Health and welfare	-	-	-	-	-	-	-
Grant programs	-	-	-	-	-	-	260
Capital projects	-	-	-	-	-	-	-
Committed to:							
Inmate needs	-	-	213,637	-	-	-	-
Sheriff's expenditures	-	-	-	-	-	-	-
Total fund balances	<u>91,063</u>	<u>41,879</u>	<u>213,637</u>	<u>398,359</u>	<u>115,046</u>	<u>324,592</u>	<u>260</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 91,063</u>	<u>\$ 41,879</u>	<u>\$ 213,637</u>	<u>\$ 446,474</u>	<u>\$ 115,046</u>	<u>\$ 325,386</u>	<u>\$ 60,983</u>

(Continued)

Sheriff's Programs	Drug Abuse Treatment Education	DARE Program	Crime Victim's Assistance	Seized Drug	Inmate Commissary	DA Forfeiture
\$ 834	\$ 134,168	\$ 22,446	\$ 186,839	\$ 80,943	\$ 261,847	\$ 19,922
-	-	-	-	-	-	-
-	1,744	-	-	-	-	-
-	-	-	-	-	-	375
-	-	-	-	-	-	-
<u>\$ 834</u>	<u>\$ 135,912</u>	<u>\$ 22,446</u>	<u>\$ 186,839</u>	<u>\$ 80,943</u>	<u>\$ 261,847</u>	<u>\$ 20,297</u>

\$ -	\$ -	\$ 860	\$ -	\$ 79,262	\$ 17,413	\$ 498
-	-	-	2,628	-	-	-
-	8,911	-	0	-	-	-
-	-	-	9,922	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>8,911</u>	<u>860</u>	<u>12,550</u>	<u>79,262</u>	<u>17,413</u>	<u>498</u>

-	-	-	-	-	-	375
-	-	-	174,289	-	-	19,424
-	127,001	-	-	1,681	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
834	-	21,586	-	-	244,434	-
<u>834</u>	<u>127,001</u>	<u>21,586</u>	<u>174,289</u>	<u>1,681</u>	<u>244,434</u>	<u>19,799</u>

<u>\$ 834</u>	<u>\$ 135,912</u>	<u>\$ 22,446</u>	<u>\$ 186,839</u>	<u>\$ 80,943</u>	<u>\$ 261,847</u>	<u>\$ 20,297</u>
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WALTON COUNTY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

ASSETS	Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
	Forfeited Federal Drug	Walton County Public Purpose Corporation	2001 SPLOST	2007 SPLOST	Impact Fees	2013 SPLOST	
Cash and cash equivalents	\$ 97,694	\$ 84,821	\$ 631,536	\$ -	\$ 635,533	\$ 2,900,736	\$ 5,741,340
Restricted cash and cash equivalents	-	-	-	2,445,005	-	-	2,445,005
Investments	-	-	-	-	-	-	54,994
Accounts receivable	-	-	-	-	-	14	270,671
Due from other governments	-	-	-	-	-	718,446	768,967
Prepays	-	-	-	150	-	-	224,338
Due from other funds	-	-	-	-	-	-	12,206
Total assets	<u>\$ 97,694</u>	<u>\$ 84,821</u>	<u>\$ 631,536</u>	<u>\$ 2,445,155</u>	<u>\$ 635,533</u>	<u>\$ 3,619,196</u>	<u>\$ 9,517,521</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ 75	\$ 8,876	\$ 54,249	\$ 4,355	\$ 292	\$ 194,024
Accrued liabilities	-	-	-	-	-	-	39,139
Unearned revenue	-	45,104	-	-	-	-	45,104
Due to other funds	-	-	-	120,221	-	942	172,638
Due to other governments	-	-	-	98,614	-	514,262	612,876
Due to component units	-	-	-	-	-	-	12,335
Total liabilities	<u>-</u>	<u>45,179</u>	<u>8,876</u>	<u>273,084</u>	<u>4,355</u>	<u>515,496</u>	<u>1,076,116</u>
FUND BALANCES							
Nonspendable:							
Prepays	-	-	-	150	-	-	224,338
Restricted for:							
Judicial	-	-	-	-	-	-	724,273
Public safety	97,694	-	-	-	-	-	315,941
Health and welfare	-	-	-	-	-	-	127,001
Grant programs	-	-	-	-	-	-	260
Capital projects	-	39,642	622,660	2,171,921	631,178	3,103,700	6,569,101
Committed to:							
Inmate needs	-	-	-	-	-	-	213,637
Sheriff's expenditures	-	-	-	-	-	-	266,854
Total fund balances	<u>97,694</u>	<u>39,642</u>	<u>622,660</u>	<u>2,172,071</u>	<u>631,178</u>	<u>3,103,700</u>	<u>8,441,405</u>
Total liabilities and fund balances	<u>\$ 97,694</u>	<u>\$ 84,821</u>	<u>\$ 631,536</u>	<u>\$ 2,445,155</u>	<u>\$ 635,533</u>	<u>\$ 3,619,196</u>	<u>\$ 9,517,521</u>

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						
	Law Library	Forfeited Drug Seizure	Inmate Phone	Emergency 911	Clerk's Authority	Juvenile Supplemental Services	Multiple Grant
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	51,327	5,685	-	143,194
Fines and forfeitures	57,767	43,796	-	-	-	27,534	-
Charges for services	-	-	87,084	1,455,700	-	-	-
Interest income	948	64	483	-	244	616	-
Contributions	-	-	-	-	-	-	-
Other revenues	-	-	-	1,273	-	-	37,535
Total revenues	<u>58,715</u>	<u>43,860</u>	<u>87,567</u>	<u>1,508,300</u>	<u>5,929</u>	<u>28,150</u>	<u>180,729</u>
Expenditures:							
Current							
General government	-	-	-	-	-	-	-
Judicial	65,106	-	-	-	-	76,060	83,865
Public safety	-	59,057	42,325	1,916,977	-	-	66,815
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	170,253
Culture and recreation	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>65,106</u>	<u>59,057</u>	<u>42,325</u>	<u>1,916,977</u>	<u>-</u>	<u>76,060</u>	<u>320,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,391)</u>	<u>(15,197)</u>	<u>45,242</u>	<u>(408,677)</u>	<u>5,929</u>	<u>(47,910)</u>	<u>(140,204)</u>
Other financing sources (uses):							
Transfers in	-	-	-	410,237	-	-	146,778
Transfers out	-	-	(119,105)	(394)	(11,519)	-	(6,314)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(119,105)</u>	<u>409,843</u>	<u>(11,519)</u>	<u>-</u>	<u>140,464</u>
Net change in fund balances	(6,391)	(15,197)	(73,863)	1,166	(5,590)	(47,910)	260
Fund balances, beginning of year	<u>97,454</u>	<u>57,076</u>	<u>287,500</u>	<u>397,193</u>	<u>120,636</u>	<u>372,502</u>	<u>-</u>
Fund balances, end of year	<u>\$ 91,063</u>	<u>\$ 41,879</u>	<u>\$ 213,637</u>	<u>\$ 398,359</u>	<u>\$ 115,046</u>	<u>\$ 324,592</u>	<u>\$ 260</u>

(Continued)

Sheriff's Programs	Drug Abuse Treatment Education	DARE Program	Crime Victim's Assistance	Seized Drug	Inmate Commissary	DA Forfeiture
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	61,752	-	118,900	-	-	25,204
-	-	-	-	-	52,745	-
1	255	-	391	-	-	23
-	-	16,014	-	-	-	-
5,743	-	-	-	-	-	-
<u>5,744</u>	<u>62,007</u>	<u>16,014</u>	<u>119,291</u>	<u>-</u>	<u>52,745</u>	<u>25,227</u>
-	-	-	-	-	-	-
-	-	-	115,254	-	-	15,749
6,710	-	24,472	-	-	22,199	-
-	15,500	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,710</u>	<u>15,500</u>	<u>24,472</u>	<u>115,254</u>	<u>-</u>	<u>22,199</u>	<u>15,749</u>
(966)	46,507	(8,458)	4,037	-	30,546	9,478
-	-	12,928	-	-	-	-
-	(48,571)	-	(19,159)	-	(32,831)	-
-	(48,571)	12,928	(19,159)	-	(32,831)	-
(966)	(2,064)	4,470	(15,122)	-	(2,285)	9,478
<u>1,800</u>	<u>129,065</u>	<u>17,116</u>	<u>189,411</u>	<u>1,681</u>	<u>246,719</u>	<u>10,321</u>
<u>\$ 834</u>	<u>\$ 127,001</u>	<u>\$ 21,586</u>	<u>\$ 174,289</u>	<u>\$ 1,681</u>	<u>\$ 244,434</u>	<u>\$ 19,799</u>

WALTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
	Forfeited Federal Drug	Walton County Public Purpose Corporation	2001 SPLOST	2007 SPLOST	Impact Fees	2013 SPLOST	
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,657,386	\$ 4,657,386
Intergovernmental	30,175	360,834	-	-	-	-	710,115
Fines and forfeitures	-	-	-	-	-	-	216,053
Charges for services	-	-	-	-	43,579	-	1,639,108
Interest income	166	35	1,275	7,159	1,313	-	12,973
Contributions	-	-	-	-	-	-	16,014
Other revenues	-	15,000	-	-	-	-	59,551
Total revenues	<u>30,341</u>	<u>375,869</u>	<u>1,275</u>	<u>7,159</u>	<u>44,892</u>	<u>4,657,386</u>	<u>7,311,200</u>
Expenditures:							
Current							
General government	-	-	18,119	-	-	1,234	19,353
Judicial	-	-	-	-	-	-	356,034
Public safety	36,973	-	220,240	-	-	-	2,395,768
Public works	-	1,435	2,129	477,795	-	-	481,359
Health and welfare	-	-	-	-	-	-	185,753
Culture and recreation	-	-	-	-	24,481	-	24,481
Intergovernmental	-	-	-	2,949,322	9,442	1,552,452	4,511,216
Capital outlay	-	2,623,639	-	-	28,148	-	2,651,787
Debt service							
Principal	-	96,102	-	-	-	-	96,102
Interest and fiscal charges	-	358,918	-	-	-	-	358,918
Total expenditures	<u>36,973</u>	<u>3,080,094</u>	<u>240,488</u>	<u>3,427,117</u>	<u>62,071</u>	<u>1,553,686</u>	<u>11,080,771</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,632)</u>	<u>(2,704,225)</u>	<u>(239,213)</u>	<u>(3,419,958)</u>	<u>(17,179)</u>	<u>3,103,700</u>	<u>(3,769,571)</u>
Other financing sources (uses):							
Transfers in	-	-	58,165	-	-	-	628,108
Transfers out	-	-	-	(186,360)	-	-	(424,253)
Total other financing sources (uses)	-	-	58,165	(186,360)	-	-	203,855
Net change in fund balances	(6,632)	(2,704,225)	(181,048)	(3,606,318)	(17,179)	3,103,700	(3,565,716)
Fund balances, beginning of year	<u>104,326</u>	<u>2,743,867</u>	<u>803,708</u>	<u>5,778,389</u>	<u>648,357</u>	<u>-</u>	<u>12,007,121</u>
Fund balances, end of year	<u>\$ 97,694</u>	<u>\$ 39,642</u>	<u>\$ 622,660</u>	<u>\$ 2,172,071</u>	<u>\$ 631,178</u>	<u>\$ 3,103,700</u>	<u>\$ 8,441,405</u>

WALTON COUNTY, GEORGIA

**LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 73,900	\$ 73,900	\$ 57,767	\$ (16,133)
Interest income	1,050	1,050	948	(102)
Total revenues	<u>74,950</u>	<u>74,950</u>	<u>58,715</u>	<u>(16,235)</u>
Expenditures:				
Current				
Judicial	74,950	74,950	65,106	9,844
Total expenditures	<u>74,950</u>	<u>74,950</u>	<u>65,106</u>	<u>9,844</u>
Net change in fund balance	-	-	(6,391)	(6,391)
Fund balance, beginning of year	<u>97,454</u>	<u>97,454</u>	<u>97,454</u>	<u>-</u>
Fund balance, end of year	<u>\$ 97,454</u>	<u>\$ 97,454</u>	<u>\$ 91,063</u>	<u>\$ (6,391)</u>

WALTON COUNTY, GEORGIA

**FORFEITED DRUG SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 59,000	\$ 62,993	\$ 43,796	\$ (19,197)
Interest income	-	64	64	-
Total revenues	<u>59,000</u>	<u>63,057</u>	<u>43,860</u>	<u>(19,197)</u>
Expenditures:				
Current				
Public safety	55,000	59,057	59,057	-
Total expenditures	<u>55,000</u>	<u>59,057</u>	<u>59,057</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	4,000	4,000	(15,197)	(19,197)
Other financing uses				
Transfers out	(4,000)	(4,000)	-	4,000
Total other financing uses	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>
Net change in fund balance	-	-	(15,197)	(15,197)
Fund balance, beginning of year	<u>57,076</u>	<u>57,076</u>	<u>57,076</u>	<u>-</u>
Fund balance, end of year	<u>\$ 57,076</u>	<u>\$ 57,076</u>	<u>\$ 41,879</u>	<u>\$ (15,197)</u>

WALTON COUNTY, GEORGIA

**INMATE PHONE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 297,400	\$ 297,400	\$ 87,084	\$ (210,316)
Interest income	600	600	483	(117)
Total revenues	<u>298,000</u>	<u>298,000</u>	<u>87,567</u>	<u>(210,433)</u>
Expenditures:				
Current				
Public safety	298,000	178,895	42,325	136,570
Total expenditures	<u>298,000</u>	<u>178,895</u>	<u>42,325</u>	<u>136,570</u>
Excess of revenues over expenditures	<u>-</u>	<u>119,105</u>	<u>45,242</u>	<u>(73,863)</u>
Other financing uses				
Transfers out	-	(119,105)	(119,105)	-
Total other financing uses	<u>-</u>	<u>(119,105)</u>	<u>(119,105)</u>	<u>-</u>
Net change in fund balance	-	-	(73,863)	(73,863)
Fund balance, beginning of year	<u>287,500</u>	<u>287,500</u>	<u>287,500</u>	<u>-</u>
Fund balance, end of year	<u>\$ 287,500</u>	<u>\$ 287,500</u>	<u>\$ 213,637</u>	<u>\$ (73,863)</u>

WALTON COUNTY, GEORGIA

**EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,111,100	\$ 1,467,821	\$ 1,455,700	\$ (12,121)
Intergovernmental	-	51,327	51,327	-
Other revenues	-	1,273	1,273	-
Total revenues	<u>1,111,100</u>	<u>1,520,421</u>	<u>1,508,300</u>	<u>(12,121)</u>
Expenditures:				
Current				
Public safety	2,113,741	2,522,668	1,916,977	605,691
Total expenditures	<u>2,113,741</u>	<u>2,522,668</u>	<u>1,916,977</u>	<u>605,691</u>
Deficiency of revenues under expenditures	(1,002,641)	(1,002,247)	(408,677)	593,570
Other financing sources (uses)				
Transfers in	1,002,641	1,002,641	410,237	(592,404)
Transfers out	-	(394)	(394)	-
Total other financing sources (uses)	<u>1,002,641</u>	<u>1,002,247</u>	<u>409,843</u>	<u>(592,404)</u>
Net change in fund balance	-	-	1,166	1,166
Fund balance, beginning of year	<u>397,193</u>	<u>397,193</u>	<u>397,193</u>	<u>-</u>
Fund balance, end of year	<u>\$ 397,193</u>	<u>\$ 397,193</u>	<u>\$ 398,359</u>	<u>\$ 1,166</u>

WALTON COUNTY, GEORGIA

**CLERK'S AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 17,304	\$ 17,304	\$ 5,685	\$ (11,619)
Interest income	300	300	244	(56)
Total revenues	<u>17,604</u>	<u>17,604</u>	<u>5,929</u>	<u>(11,675)</u>
Expenditures:				
Current				
Judicial	7,000	6,085	-	6,085
Total expenditures	<u>7,000</u>	<u>6,085</u>	<u>-</u>	<u>6,085</u>
Excess of revenues over expenditures	<u>10,604</u>	<u>11,519</u>	<u>5,929</u>	<u>(5,590)</u>
Other financing uses				
Transfers out	(10,604)	(11,519)	(11,519)	-
Total other financing uses	<u>(10,604)</u>	<u>(11,519)</u>	<u>(11,519)</u>	<u>-</u>
Net change in fund balance	-	-	(5,590)	(5,590)
Fund balance, beginning of year	<u>120,636</u>	<u>120,636</u>	<u>120,636</u>	<u>-</u>
Fund balance, end of year	<u>\$ 120,636</u>	<u>\$ 120,636</u>	<u>\$ 115,046</u>	<u>\$ (5,590)</u>

WALTON COUNTY, GEORGIA

**JUVENILE SUPPLEMENTAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 41,100	\$ 76,518	\$ 27,534	\$ (48,984)
Interest income	500	623	616	(7)
Total revenues	<u>41,600</u>	<u>77,141</u>	<u>28,150</u>	<u>(48,991)</u>
Expenditures:				
Current				
Judicial	41,600	77,141	76,060	1,081
Total expenditures	<u>41,600</u>	<u>77,141</u>	<u>76,060</u>	<u>1,081</u>
Net change in fund balance	-	-	(47,910)	(47,910)
Fund balance, beginning of year	<u>372,502</u>	<u>372,502</u>	<u>372,502</u>	<u>-</u>
Fund balance, end of year	<u>\$ 372,502</u>	<u>\$ 372,502</u>	<u>\$ 324,592</u>	<u>\$ (47,910)</u>

WALTON COUNTY, GEORGIA

**MULTIPLE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 173,403	\$ 173,403	\$ 143,194	\$ (30,209)
Other revenues	37,535	37,535	37,535	-
Total revenues	<u>210,938</u>	<u>210,938</u>	<u>180,729</u>	<u>(30,209)</u>
Expenditures:				
Current				
Public safety	100,775	100,775	66,815	33,960
Judicial	108,398	108,398	83,865	24,533
Health and welfare	172,760	172,760	170,253	2,507
Total expenditures	<u>381,933</u>	<u>381,933</u>	<u>320,933</u>	<u>61,000</u>
Deficiency of revenues under expenditures	<u>(170,995)</u>	<u>(170,995)</u>	<u>(140,204)</u>	<u>30,791</u>
Other financing sources (uses)				
Transfers in	177,309	177,309	146,778	(30,531)
Transfers out	(6,314)	(6,314)	(6,314)	-
Total other financing sources (uses)	<u>170,995</u>	<u>170,995</u>	<u>140,464</u>	<u>(30,531)</u>
Net change in fund balance	-	-	260	260
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260</u>	<u>\$ 260</u>

WALTON COUNTY, GEORGIA

**SHERIFF'S PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Interest income	\$ 1	\$ 1	\$ 1	\$ -
Other revenues	1,380	6,710	5,743	(967)
Total revenues	<u>1,381</u>	<u>6,711</u>	<u>5,744</u>	<u>(967)</u>
Expenditures:				
Current				
Public safety	1,381	6,711	6,710	1
Total expenditures	<u>1,381</u>	<u>6,711</u>	<u>6,710</u>	<u>1</u>
Net change in fund balance	-	-	(966)	(966)
Fund balance, beginning of year	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 834</u>	<u>\$ (966)</u>

WALTON COUNTY, GEORGIA

**DRUG ABUSE TREATMENT EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 71,183	\$ 71,183	\$ 61,752	\$ (9,431)
Interest income	260	260	255	(5)
Total revenues	<u>71,443</u>	<u>71,443</u>	<u>62,007</u>	<u>(9,436)</u>
Expenditures:				
Current				
Health and welfare	16,000	16,000	15,500	500
Total expenditures	<u>16,000</u>	<u>16,000</u>	<u>15,500</u>	<u>500</u>
Excess of revenues over expenditures	<u>55,443</u>	<u>55,443</u>	<u>46,507</u>	<u>(8,936)</u>
Other financing uses				
Transfers out	(55,443)	(55,443)	(48,571)	6,872
Total other financing uses	<u>(55,443)</u>	<u>(55,443)</u>	<u>(48,571)</u>	<u>6,872</u>
Net change in fund balance	-	-	(2,064)	(2,064)
Fund balance, beginning of year	<u>129,065</u>	<u>129,065</u>	<u>129,065</u>	<u>-</u>
Fund balance, end of year	<u>\$ 129,065</u>	<u>\$ 129,065</u>	<u>\$ 127,001</u>	<u>\$ (2,064)</u>

WALTON COUNTY, GEORGIA

**DARE PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Contributions	\$ 7,650	\$ 16,139	\$ 16,014	\$ (125)
Total revenues	<u>7,650</u>	<u>16,139</u>	<u>16,014</u>	<u>(125)</u>
Expenditures:				
Current				
Public safety	27,450	35,939	24,472	11,467
Total expenditures	<u>27,450</u>	<u>35,939</u>	<u>24,472</u>	<u>11,467</u>
Deficiency of revenues over expenditures	(19,800)	(19,800)	(8,458)	11,342
Other financing sources				
Transfers in	19,800	19,800	12,928	(6,872)
Total other financing sources	<u>19,800</u>	<u>19,800</u>	<u>12,928</u>	<u>(6,872)</u>
Net change in fund balance	-	-	4,470	4,470
Fund balance, beginning of year	<u>17,116</u>	<u>17,116</u>	<u>17,116</u>	<u>-</u>
Fund balance, end of year	<u>\$ 17,116</u>	<u>\$ 17,116</u>	<u>\$ 21,586</u>	<u>\$ 4,470</u>

WALTON COUNTY, GEORGIA

**CRIME VICTIM'S ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 164,553	\$ 164,553	\$ 118,900	\$ (45,653)
Interest income	200	391	391	-
Total revenues	<u>164,753</u>	<u>164,944</u>	<u>119,291</u>	<u>(45,653)</u>
Expenditures:				
Current				
Judicial	105,689	115,254	115,254	-
Total expenditures	<u>105,689</u>	<u>115,254</u>	<u>115,254</u>	<u>-</u>
Excess of revenues over expenditures	<u>59,064</u>	<u>49,690</u>	<u>4,037</u>	<u>(45,653)</u>
Other financing uses				
Transfers out	(59,064)	(49,690)	(19,159)	30,531
Total other financing uses	<u>(59,064)</u>	<u>(49,690)</u>	<u>(19,159)</u>	<u>30,531</u>
Net change in fund balance	-	-	(15,122)	(15,122)
Fund balance, beginning of year	<u>189,411</u>	<u>189,411</u>	<u>189,411</u>	<u>-</u>
Fund balance, end of year	<u>\$ 189,411</u>	<u>\$ 189,411</u>	<u>\$ 174,289</u>	<u>\$ (15,122)</u>

WALTON COUNTY, GEORGIA

**SEIZED DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Other income	\$ 32,000	\$ 32,000	\$ -	\$ (32,000)
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>-</u>	<u>(32,000)</u>
Expenditures:				
Current				
Public safety	32,000	32,000	-	32,000
Total expenditures	<u>32,000</u>	<u>32,000</u>	<u>-</u>	<u>32,000</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>1,681</u>	<u>1,681</u>	<u>1,681</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,681</u>	<u>\$ 1,681</u>	<u>\$ 1,681</u>	<u>\$ -</u>

WALTON COUNTY, GEORGIA

**INMATE COMMISSARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 236,000	\$ 236,000	\$ 52,745	\$ (183,255)
Total revenues	<u>236,000</u>	<u>236,000</u>	<u>52,745</u>	<u>(183,255)</u>
Expenditures:				
Current				
Public safety	236,000	203,169	22,199	180,970
Total expenditures	<u>236,000</u>	<u>203,169</u>	<u>22,199</u>	<u>180,970</u>
Excess of revenues over expenditures	<u>-</u>	<u>32,831</u>	<u>30,546</u>	<u>(2,285)</u>
Other financing uses				
Transfers out	-	(32,831)	(32,831)	-
Total other financing uses	<u>-</u>	<u>(32,831)</u>	<u>(32,831)</u>	<u>-</u>
Net change in fund balance	-	-	(2,285)	(2,285)
Fund balance, beginning of year	<u>246,719</u>	<u>246,719</u>	<u>246,719</u>	<u>-</u>
Fund balance, end of year	<u>\$ 246,719</u>	<u>\$ 246,719</u>	<u>\$ 244,434</u>	<u>\$ (2,285)</u>

WALTON COUNTY, GEORGIA

**DA FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 26,707	\$ 26,707	\$ 25,204	\$ (1,503)
Interest income	25	25	23	(2)
Other revenue	25	25	-	(25)
Total revenues	<u>26,757</u>	<u>26,757</u>	<u>25,227</u>	<u>(1,530)</u>
Expenditures:				
Current				
Judicial	26,757	26,757	15,749	11,008
Total expenditures	<u>26,757</u>	<u>26,757</u>	<u>15,749</u>	<u>11,008</u>
Net change in fund balance	-	-	9,478	9,478
Fund balance, beginning of year	<u>10,321</u>	<u>10,321</u>	<u>10,321</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,321</u>	<u>\$ 10,321</u>	<u>\$ 19,799</u>	<u>\$ 9,478</u>

WALTON COUNTY, GEORGIA

**FORFEITED FEDERAL DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,770	\$ 39,238	\$ 30,175	\$ (9,063)
Interest income	20	250	166	(84)
Total revenues	<u>13,790</u>	<u>39,488</u>	<u>30,341</u>	<u>(9,147)</u>
Expenditures:				
Current				
Public safety	13,790	39,488	36,973	2,515
Total expenditures	<u>13,790</u>	<u>39,488</u>	<u>36,973</u>	<u>2,515</u>
Net change in fund balance	-	-	(6,632)	(6,632)
Fund balance, beginning of year	<u>104,326</u>	<u>104,326</u>	<u>104,326</u>	<u>-</u>
Fund balance, end of year	<u>\$ 104,326</u>	<u>\$ 104,326</u>	<u>\$ 97,694</u>	<u>\$ (6,632)</u>

WALTON COUNTY, GEORGIA

**WALTON COUNTY PUBLIC PURPOSE CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 360,834	\$ 360,834	\$ 360,834	\$ -
Interest income	300	300	35	(265)
Other revenues	-	15,000	15,000	-
Total revenues	<u>361,134</u>	<u>376,134</u>	<u>375,869</u>	<u>(265)</u>
Expenditures:				
Current				
Public works	26,241	41,241	1,435	39,806
Capital outlay	3,000,000	2,909,766	2,623,639	286,127
Debt service				
Principal	96,102	96,102	96,102	-
Interest and fiscal charges	238,791	329,025	358,918	(29,893)
Total expenditures	<u>3,361,134</u>	<u>3,376,134</u>	<u>3,080,094</u>	<u>296,040</u>
Deficiency of revenues under expenditures	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(2,704,225)</u>	<u>295,775</u>
Other financing sources				
Proceeds from capital lease	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>(3,000,000)</u>
Total other financing sources	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>(3,000,000)</u>
Net change in fund balance	-	-	(2,704,225)	(2,704,225)
Fund balance, beginning of year	<u>2,743,867</u>	<u>2,743,867</u>	<u>2,743,867</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,743,867</u>	<u>\$ 2,743,867</u>	<u>\$ 39,642</u>	<u>\$ (2,704,225)</u>

WALTON COUNTY, GEORGIA

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Sales taxes	\$ 9,000,000	\$ 8,944,778	\$ 5,007,769	\$ (3,937,009)
Interest income	12,000	12,000	6,722	(5,278)
Total revenues	<u>9,012,000</u>	<u>8,956,778</u>	<u>5,014,491</u>	<u>(3,942,287)</u>
Expenditures:				
Debt service:				
Principal retirement	14,222,950	14,222,950	14,222,948	2
Interest and fiscal charges	793,996	793,996	734,409	59,587
Total expenditures	<u>15,016,946</u>	<u>15,016,946</u>	<u>14,957,357</u>	<u>59,589</u>
Deficiency of revenues under expenditures	<u>(6,004,946)</u>	<u>(6,060,168)</u>	<u>(9,942,866)</u>	<u>(3,882,698)</u>
Other financing sources				
Transfers in	6,004,946	6,060,168	5,996,300	(63,868)
Total other financing sources	<u>6,004,946</u>	<u>6,060,168</u>	<u>5,996,300</u>	<u>(63,868)</u>
Net change in fund balance	-	-	(3,946,566)	(3,946,566)
Fund balance, beginning of year	<u>5,625,763</u>	<u>5,625,763</u>	<u>5,625,763</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,625,763</u>	<u>\$ 5,625,763</u>	<u>\$ 1,679,197</u>	<u>\$ (3,946,566)</u>

WALTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS -
2001 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Judicial administration building	\$ 17,785,000	\$ 17,785,000	\$ 15,961,385	\$ 18,119	\$ 15,979,504
Jail addition	9,938,000	9,938,000	9,046,644	220,240	9,266,884
Recreation facilities	7,660,000	7,660,000	6,925,236	-	6,925,236
Road projects	8,317,000	8,317,000	5,196,108	2,129	5,198,237
Total 2001 SPLOST	<u>\$ 43,700,000</u>	<u>\$ 43,700,000</u>	<u>\$ 37,129,373</u>	<u>\$ 240,488</u>	<u>\$ 37,369,861</u>

WALTON COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS -
2007 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Walton County					
E911 towers and radio	\$ 11,000,000	\$ 11,000,000	\$ 9,898,137	\$ -	\$ 9,898,137
Water and sewer improvements	12,500,000	12,500,000	7,626,826	195,079	7,821,905
Roads and bridges	18,400,000	18,400,000	12,117,035	469,076	12,586,111
Parks and recreation facilities	15,400,000	15,400,000	6,705,649	-	6,705,649
Public safety improvements	12,200,000	12,200,000	6,025,383	-	6,025,383
Senior citizens center upgrades	1,000,000	1,000,000	274,588	-	274,588
Animal control	700,000	710,712	710,712	-	710,712
Total Walton County	<u>71,200,000</u>	<u>71,210,712</u>	<u>43,358,330</u>	<u>664,155</u>	<u>44,022,485</u>
City of Monroe					
Transportation, drainage and sidewalks	9,136,000	9,136,000	6,435,067	740,851	7,175,918
Public safety improvements	2,500,000	2,500,000	-	-	-
Solid waste improvements	1,500,000	1,500,000	-	-	-
Water and sewer improvements	4,060,000	4,060,000	-	-	-
Airport improvements	1,500,000	1,500,000	-	-	-
Electric, CATV and fiber improvements	1,500,000	1,500,000	-	-	-
Total City of Monroe	<u>20,196,000</u>	<u>20,196,000</u>	<u>6,435,067</u>	<u>740,851</u>	<u>7,175,918</u>
City of Loganville					
Transportation, drainage and sidewalks	4,212,000	4,212,000	2,651,134	2,006,748	4,657,882
Water and sewer upgrades	2,520,000	2,520,000	-	-	-
Total City of Loganville	<u>6,732,000</u>	<u>6,732,000</u>	<u>2,651,134</u>	<u>2,006,748</u>	<u>4,657,882</u>
City of Social Circle					
Transportation, drainage and sidewalks	3,536,000	3,599,723	3,599,723	46	3,599,769
Public safety improvements	1,500,000	1,500,000	-	-	-
Cemetery and park improvements	200,000	200,000	-	-	-
Total City of Social Circle	<u>5,236,000</u>	<u>5,299,723</u>	<u>3,599,723</u>	<u>46</u>	<u>3,599,769</u>
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	<u>3,740,000</u>	<u>3,740,000</u>	<u>1,959,086</u>	<u>-</u>	<u>1,959,086</u>
City of Good Hope					
Transportation, drainage and sidewalks	468,000	468,000	252,835	201,677	454,512
Administration facility improvements	280,000	280,000	-	-	-
Total City of Good Hope	<u>748,000</u>	<u>748,000</u>	<u>252,835</u>	<u>201,677</u>	<u>454,512</u>
City of Jersey					
Transportation, drainage and sidewalks	234,000	234,000	4,870	-	4,870
Water and sewer improvements	140,000	140,000	-	-	-
Total City of Jersey	<u>374,000</u>	<u>374,000</u>	<u>4,870</u>	<u>-</u>	<u>4,870</u>
City of Between					
Administration facilities	374,000	374,000	-	-	-
Total City of Between	<u>374,000</u>	<u>374,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total 2007 SPLOST	<u>\$ 108,600,000</u>	<u>\$ 108,674,435</u>	<u>\$ 58,261,045</u>	<u>\$ 3,613,477</u>	<u>\$ 61,874,522</u>

WALTON COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS -
2013 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Walton County					
Jail expansion	\$ 25,200,000	\$ 25,200,000	\$ -	\$ 1,234	\$ 1,234
Fire station construction	3,600,000	3,600,000	-	-	-
911 building expansion	2,400,000	2,400,000	-	-	-
Government building upgrades	2,400,000	2,400,000	-	-	-
Road improvements	2,400,000	2,400,000	-	-	-
Water & sewer improvements	2,400,000	2,400,000	-	-	-
Parks & recreation upgrages	1,600,000	1,600,000	-	-	-
Total Walton County	<u>40,000,000</u>	<u>40,000,000</u>	<u>-</u>	<u>1,234</u>	<u>1,234</u>
City of Between	<u>360,644</u>	<u>360,644</u>	<u>-</u>	<u>27,995</u>	<u>27,995</u>
City of Good Hope	<u>198,838</u>	<u>198,838</u>	<u>-</u>	<u>15,435</u>	<u>15,435</u>
City of Jersey	<u>333,840</u>	<u>333,840</u>	<u>-</u>	<u>25,914</u>	<u>25,914</u>
City of Loganville	<u>5,841,678</u>	<u>5,841,678</u>	<u>-</u>	<u>453,445</u>	<u>453,445</u>
City of Monroe	<u>9,200,000</u>	<u>9,200,000</u>	<u>-</u>	<u>714,127</u>	<u>714,127</u>
City of Social Circle	<u>3,100,000</u>	<u>3,100,000</u>	<u>-</u>	<u>240,632</u>	<u>240,632</u>
City of Walnut Grove	<u>965,000</u>	<u>965,000</u>	<u>-</u>	<u>74,904</u>	<u>74,904</u>
Total 2013 SPLOST	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ -</u>	<u>\$ 1,553,686</u>	<u>\$ 1,553,686</u>

INTERNAL SERVICE FUNDS

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

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

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

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013**

	<u>Health Benefits</u>	<u>Workers Compensation</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 516,775	\$ 744,110	\$ 1,260,885
Investments	1,456,212	-	1,456,212
Accounts receivable	39,061	4,373	43,434
Interest receivable	12	46	58
Due from other funds	-	12,616	12,616
Prepays	8,538	107,599	116,137
Total assets	<u>2,020,598</u>	<u>868,744</u>	<u>2,889,342</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	974	-	974
Claims payable - current portion	674,292	339,443	1,013,735
Total current liabilities	<u>675,266</u>	<u>339,443</u>	<u>1,014,709</u>
NONCURRENT LIABILITIES			
Claims payable - long-term portion	-	363,995	363,995
Total long term liabilities	-	363,995	363,995
Total liabilities	<u>675,266</u>	<u>703,438</u>	<u>1,378,704</u>
NET POSITION			
Unrestricted	1,345,332	165,306	1,510,638
Total net position	<u>\$ 1,345,332</u>	<u>\$ 165,306</u>	<u>\$ 1,510,638</u>

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Health Benefits</u>	<u>Workers Compensation</u>	<u>Total</u>
OPERATING REVENUES			
Charges to other funds	\$ 5,393,872	\$ 520,207	\$ 5,914,079
Other revenue	165	-	165
Total operating revenues	<u>5,394,037</u>	<u>520,207</u>	<u>5,914,244</u>
OPERATING EXPENSES			
Administrative	785,312	-	785,312
Claims	4,367,024	169,379	4,536,403
Fiduciary fees	7,374	4,920	12,294
Insurance	92,074	199,388	291,462
Total operating expenses	<u>5,251,784</u>	<u>373,687</u>	<u>5,625,471</u>
Operating income	<u>142,253</u>	<u>146,520</u>	<u>288,773</u>
NONOPERATING REVENUES			
Interest income	610	548	1,158
Total nonoperating revenues	<u>610</u>	<u>548</u>	<u>1,158</u>
Change in net position	142,863	147,068	289,931
NET POSITION, beginning of year	<u>1,202,469</u>	<u>18,238</u>	<u>1,220,707</u>
NET POSITION, end of year	<u><u>\$ 1,345,332</u></u>	<u><u>\$ 165,306</u></u>	<u><u>\$ 1,510,638</u></u>

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Health Benefits</u>	<u>Workers Compensation</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund activity	\$ 5,800,107	\$ 519,597	\$ 6,319,704
Payments to suppliers	(5,464,521)	(524,510)	(5,989,031)
Net cash provided by (used in) operating activities	<u>335,586</u>	<u>(4,913)</u>	<u>330,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	(331,029)	-	(331,029)
Interest received	605	508	1,113
Net cash provided by (used in) investing activities	<u>(330,424)</u>	<u>508</u>	<u>(329,916)</u>
Net increase (decrease) in cash and cash equivalents	5,162	(4,405)	757
Cash and cash equivalents:			
Beginning of year	<u>511,613</u>	<u>748,515</u>	<u>1,260,128</u>
End of year	<u>\$ 516,775</u>	<u>\$ 744,110</u>	<u>\$ 1,260,885</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 142,253	\$ 146,520	\$ 288,773
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
(Increase) decrease in accounts receivable	406,070	(4,373)	401,697
Decrease in due from other funds	-	3,763	3,763
Increase in prepaids	(841)	(11,437)	(12,278)
(Decrease) increase in accounts payable	974	(16,779)	(15,805)
Decrease in claims payable	(212,870)	(122,607)	(335,477)
Net cash provided by (used in) operating activities	<u>\$ 335,586</u>	<u>\$ (4,913)</u>	<u>\$ 330,673</u>

AGENCY FUNDS

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

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

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

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

Clerk of Superior Court
Probate Court
Magistrate Court
Juvenile Court

WALTON COUNTY, GEORGIA

**COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013**

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Juvenile Court	Sheriff	Total
Cash and cash equivalents	\$ 1,393,374	\$ 733,979	\$ 56,835	\$ 46,228	\$ 192	\$ 5,552	\$ 2,236,160
Taxes receivable	1,536,149	-	-	-	-	-	1,536,149
Total assets	\$ 2,929,523	\$ 733,979	\$ 56,835	\$ 46,228	\$ 192	\$ 5,552	\$ 3,772,309
LIABILITIES							
Due to others	\$ 1,393,374	\$ 733,979	\$ 56,835	\$ 46,228	\$ 192	\$ 5,552	\$ 2,236,160
Uncollected taxes	1,536,149	-	-	-	-	-	1,536,149
Total liabilities	\$ 2,929,523	\$ 733,979	\$ 56,835	\$ 46,228	\$ 192	\$ 5,552	\$ 3,772,309

WALTON COUNTY, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
<u>Tax Commissioner</u>				
ASSETS				
Cash	\$ 1,072,729	\$ 80,731,047	\$ (80,410,402)	\$ 1,393,374
Taxes receivable	1,731,009	70,269,632	(70,464,492)	1,536,149
Total assets	<u>\$ 2,803,738</u>	<u>\$ 151,000,679</u>	<u>\$ (150,874,894)</u>	<u>\$ 2,929,523</u>
LIABILITIES				
Due to others	\$ 1,072,729	\$ 80,731,047	\$ (80,410,402)	\$ 1,393,374
Uncollected taxes	1,731,009	70,269,632	(70,464,492)	1,536,149
Total liabilities	<u>\$ 2,803,738</u>	<u>\$ 151,000,679</u>	<u>\$ (150,874,894)</u>	<u>\$ 2,929,523</u>
<u>Clerk of Superior Court</u>				
ASSETS				
Cash	\$ 773,794	\$ 3,871,904	\$ (3,911,719)	\$ 733,979
Total assets	<u>\$ 773,794</u>	<u>\$ 3,871,904</u>	<u>\$ (3,911,719)</u>	<u>\$ 733,979</u>
LIABILITIES				
Due to others	\$ 773,794	\$ 3,871,904	\$ (3,911,719)	\$ 733,979
Total liabilities	<u>\$ 773,794</u>	<u>\$ 3,871,904</u>	<u>\$ (3,911,719)</u>	<u>\$ 733,979</u>
<u>Probate Court</u>				
ASSETS				
Cash	\$ 43,087	\$ 1,297,052	\$ (1,283,304)	\$ 56,835
Total assets	<u>\$ 43,087</u>	<u>\$ 1,297,052</u>	<u>\$ (1,283,304)</u>	<u>\$ 56,835</u>
LIABILITIES				
Due to others	\$ 43,087	\$ 1,297,052	\$ (1,283,304)	\$ 56,835
Total liabilities	<u>\$ 43,087</u>	<u>\$ 1,297,052</u>	<u>\$ (1,283,304)</u>	<u>\$ 56,835</u>
(Continued)				

WALTON COUNTY, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
<u>Magistrate Court</u>				
ASSETS				
Cash	\$ 39,976	\$ 757,039	\$ (750,787)	\$ 46,228
Total assets	\$ 39,976	\$ 757,039	\$ (750,787)	\$ 46,228
LIABILITIES				
Due to others	\$ 39,976	\$ 757,039	\$ (750,787)	\$ 46,228
Total liabilities	\$ 39,976	\$ 757,039	\$ (750,787)	\$ 46,228
<u>Juvenile Court</u>				
ASSETS				
Cash	\$ 164	\$ 5,612	\$ (5,584)	\$ 192
Total assets	\$ 164	\$ 5,612	\$ (5,584)	\$ 192
LIABILITIES				
Due to others	\$ 164	\$ 5,612	\$ (5,584)	\$ 192
Total liabilities	\$ 164	\$ 5,612	\$ (5,584)	\$ 192
<u>Sheriff</u>				
ASSETS				
Cash	\$ 10,563	\$ 972,152	\$ (977,163)	\$ 5,552
Total assets	\$ 10,563	\$ 972,152	\$ (977,163)	\$ 5,552
LIABILITIES				
Due to others	\$ 10,563	\$ 972,152	\$ (977,163)	\$ 5,552
Total liabilities	\$ 10,563	\$ 972,152	\$ (977,163)	\$ 5,552
<u>Total Agency Funds</u>				
ASSETS				
Cash	\$ 1,940,313	\$ 87,634,806	\$ (87,338,959)	\$ 2,236,160
Taxes receivable	1,731,009	70,269,632	(70,464,492)	1,536,149
Total assets	\$ 3,671,322	\$ 157,904,438	\$ (157,803,451)	\$ 3,772,309
LIABILITIES				
Due to others	\$ 1,940,313	\$ 87,634,806	\$ (87,338,959)	\$ 2,236,160
Uncollected taxes	1,731,009	70,269,632	(70,464,492)	1,536,149
Total liabilities	\$ 3,671,322	\$ 157,904,438	\$ (157,803,451)	\$ 3,772,309

COMPONENT UNIT – DEVELOPMENT AUTHORITY

WALTON COUNTY, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - DEVELOPMENT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 188,835
Payments to suppliers	(68,781)
Payments to employees	(114,982)

Net cash provided by operating activities	<u>5,072</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisitions of capital assets	(1,111)
Net cash used in capital and related financing activities	<u>(1,111)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	1,881
Net cash provided by investing activities	<u>1,881</u>

Net increase in cash and cash equivalents	5,842
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Cash and cash equivalents:

Beginning of year	<u>440,037</u>
End of year	<u>\$ 445,879</u>

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

Operating income	\$ 538
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	6,308
Change in assets and liabilities:	
Increase in accounts receivable	(2,000)
Increase in accrued liabilities	226
Net cash provided by operating activities	<u>\$ 5,072</u>

COMPONENT UNIT – COMMISSION ON CHILDREN AND YOUTH

WALTON COUNTY, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - COMMISSION ON CHILDREN & YOUTH
JUNE 30, 2013**

ASSETS		
Cash		\$ 107,386
Due from primary government		<u>12,335</u>
Total assets		<u><u>\$ 119,721</u></u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable		<u>\$ 1,383</u>
Total liabilities		<u>1,383</u>
 FUND BALANCE		
Unassigned		<u>118,338</u>
Total liabilities and fund balance		<u><u>\$ 119,721</u></u>

WALTON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - COMMISSION ON CHILDREN & YOUTH
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Revenues	
Intergovernmental	\$ 71,087
Charges for services	<u>22,363</u>
Total revenues	<u>93,450</u>
Expenditures	
Health and welfare	<u>113,025</u>
Total expenditures	<u>113,025</u>
Net change in fund balance	(19,575)
Fund balance, beginning of year	<u>137,913</u>
Fund balance, end of year	<u><u>\$ 118,338</u></u>

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 Trends	103-108

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity.....	109-114
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These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.

Debt Capacity.....	115-119
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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 Information	120 and 121
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information.....	122-124
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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.

WALTON COUNTY, GEORGIA

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 33,205,084	\$ 79,560,401	\$ 80,890,679	\$ 89,275,978	\$ 90,713,448	\$ 89,664,056	\$ 85,913,569	\$ 90,801,446	\$ 94,687,494	\$ 102,657,027
Restricted	514,089	541,595	7,468,310	28,816,979	8,903,723	5,348,476	5,343,022	18,694,711	10,701,672	9,448,476
Unrestricted	41,987,773	4,391,120	13,427,017	553,044	22,727,375	24,365,511	25,598,720	11,893,449	22,952,221	21,822,655
Total governmental activities net position	\$ 75,706,946	\$ 84,493,116	\$ 101,786,006	\$ 118,646,001	\$ 122,344,546	\$ 119,378,043	\$ 116,855,311	\$ 121,389,606	\$ 128,341,387	\$ 133,928,158
Business-type activities										
Net investment in capital assets	\$ 909,781	\$ 1,029,104	\$ 1,016,106	\$ 28,786,737	\$ 23,584,893	\$ 24,915,940	\$ 33,376,233	\$ 35,965,437	\$ 40,400,413	\$ 43,139,230
Restricted	-	-	-	3,168,528	8,474,648	7,751,281	7,598,747	6,961,893	5,589,892	5,590,932
Unrestricted	180,401	233,100	162,561	6,537,085	8,149,911	8,633,228	28,352,560	28,959,419	28,766,415	27,386,469
Total business-type activities net position	\$ 1,090,182	\$ 1,262,204	\$ 1,178,667	\$ 38,492,350	\$ 40,209,452	\$ 41,300,449	\$ 69,327,540	\$ 71,886,749	\$ 74,756,720	\$ 76,116,631
Primary government										
Net investment in capital assets	\$ 34,114,865	\$ 80,589,505	\$ 81,906,785	\$ 118,062,715	\$ 114,298,341	\$ 114,579,996	\$ 119,289,802	\$ 126,766,883	\$ 135,087,907	\$ 145,796,257
Restricted	514,089	541,595	7,468,310	31,985,507	17,378,371	13,099,757	12,941,769	25,656,604	16,291,564	15,039,408
Unrestricted	42,168,174	4,624,220	13,589,578	7,090,129	30,877,286	32,998,739	53,951,280	40,852,868	51,718,636	49,209,124
Total primary governmental activities net position	\$ 76,797,128	\$ 85,755,320	\$ 102,964,673	\$ 157,138,351	\$ 162,553,998	\$ 160,678,492	\$ 186,182,851	\$ 193,276,355	\$ 203,098,107	\$ 210,044,759

Data Source: Audited Financial Statements

WALTON COUNTY, GEORGIA

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Government activities:										
General Government	\$ 7,324	\$ 7,785	\$ 6,470	\$ 7,738	\$ 7,736	\$ 8,474	\$ 7,199	\$ 7,442	\$ 7,442	\$ 6,941
Judicial	3,413	3,708	3,838	4,354	4,541	4,937	4,904	5,148	4,790	4,908
Public Safety	14,817	15,418	15,922	19,065	19,477	20,739	21,439	21,703	21,080	21,166
Public Works	4,527	4,823	6,318	5,891	14,528	13,627	12,065	8,832 (1)	9,446	11,594
Health and Welfare	493	503	821	2,190	1,127	1,250	1,232	1,030	963	1,049
Housing & Development	1,289	1,411	2,183	2,445	2,294	1,508	1,454	1,438	1,331	1,289
Culture & Recreation	1,786	2,079	2,315	2,763	3,133	3,855	3,942	3,868	3,703	3,549
Interest on Long-Term Debt	1,230	967	697	1,358	2,390	1,989	1,922	1,320	1,201	611
Total government activities expenses	34,879	36,694	38,564	45,804	55,226	56,379	54,157	50,781	49,956	51,107
Business-type activities										
Water and Sewer	-	-	-	7,827	9,938	8,990	7,973	7,492	7,301	7,538
EMS	1,648	2,120	1,952	2,390	2,760	2,719	2,777	2,787	2,686	2,717
Solid Waste	957	902	930	1,042	1,092	1,103	1,145	1,157	1,157	1,059
Total business-type activities	2,605	3,022	2,882	11,259	13,790	12,812	11,895	11,436	11,144	11,314
Total primary government expenses	\$ 37,484	\$ 39,716	\$ 41,446	\$ 57,063	\$ 69,016	\$ 69,191	\$ 66,052	\$ 62,217	\$ 61,100	\$ 62,421
PROGRAM REVENUES										
Charges for services:										
General Government	\$ 1,472	\$ 1,583	\$ 1,751	\$ 2,065	\$ 2,183	\$ 2,547	\$ 2,538	\$ 2,600	\$ 2,539	\$ 2,778
Judicial	1,890	1,898	2,323	2,015	2,016	1,497	1,366	1,211	1,099	1,109
Public Safety	1,911	1,974	2,477	1,928	2,222	2,290	2,021	2,163	2,009	1,811
Public Works	45	54	-	14	4	476	1,031	1,134	1,160	1,340
Health and Welfare	18	17	146	189	-	-	63	81	57	109
Housing & Development	1,082	1,155	1,378	2,186	542	415	77	64	46	49
Culture & Recreation	304	160	847	340	603	704	872	856	891	857
Total charges for services:	6,722	6,841	8,922	8,737	7,570	7,929	7,968	8,109	7,801	8,053
Operating grants and contributions	398	300	911	1,391	527	774	698	649	961	1,671
Capital grants and contributions	5,792	2,417	3,497	5,592	1,124	18	1,060	288	122	241
Total governmental activities program revenues	12,912	9,558	13,330	15,720	9,221	8,721	9,726	9,046	8,884	9,965
Business type activities:										
Charges for services:										
Water	-	-	-	7,946	7,691	7,332	8,382	8,720	9,028	9,105
EMS	1,032	1,633	1,141	1,463	1,130	1,535	1,123	1,555	1,753	1,867
Solid Waste	348	372	450	505	504	435	606	567	619	591
Operating grants and contributions	34	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	3,735	489	-	899	894	901	902
Total business-type activities program revenues	1,414	2,005	1,591	13,649	9,814	9,302	11,010	11,736	12,301	12,465
Total primary government program revenues	\$ 14,326	\$ 11,563	\$ 14,921	\$ 29,369	\$ 19,035	\$ 18,023	\$ 20,736	\$ 20,782	\$ 21,185	\$ 22,430
Net (expenses)/revenue										
Governmental activities	\$ (21,967)	\$ (27,136)	\$ (25,234)	\$ (30,084)	\$ (46,005)	\$ (47,658)	\$ (44,431)	\$ (41,735)	\$ (41,072)	\$ (41,142)
Business-type activities	(1,191)	(1,017)	(1,291)	2,390	(3,976)	(3,510)	(885)	300	1,157	1,151
Total primary government net expense	\$ (23,158)	\$ (28,153)	\$ (26,525)	\$ (27,694)	\$ (49,981)	\$ (51,168)	\$ (45,316)	\$ (41,435)	\$ (39,915)	\$ (39,991)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property taxes	\$ 19,410	\$ 20,819	\$ 22,258	\$ 24,818	\$ 28,255	\$ 28,063	\$ 30,445	\$ 30,432	\$ 30,347	\$ 28,854
Sales taxes	12,181	13,470	16,506	17,467	16,376	14,497	15,083	14,761	15,863	15,931
Insurance premium taxes	1,524	1,649	1,762	1,846	1,941	1,988	1,960	1,906	2,355	2,515
Other Taxes	1,669	1,486	1,744	1,755	1,484	1,257	812	833	854	856
Total taxes	34,784	37,424	42,270	45,886	48,056	45,805	48,300	47,932	49,419	48,156
Unrestricted grants and contributions	-	-	1,337	1,391	-	1,540	97	-	-	-
Intergovernmental revenue	605	1,047	-	-	-	-	-	-	-	-
Other	117	142	-	-	-	-	261	245	245	-
Unrestricted investment earnings	364	446	953	2,797	3,519	1,076	-	68	47	54
Gain (loss) on sales of capital assets	171	-	14	-	-	-	78	-	-	-
Transfers	(1,187)	(1,082)	(1,205)	(1,461)	(2,598)	(3,730)	(6,828)	(1,976)	(1,688)	(1,446)
Total governmental activities	34,854	37,977	43,369	48,613	48,977	44,691	41,908	46,269	48,023	46,764
Business-type activities:										
Investment earnings	1	1	2	382	2,760	872	203	53	25	20
Other revenues	-	-	-	-	-	-	1,043	230	-	-
Gain on sale of assets	9	-	-	-	-	-	-	-	-	-
Transfers	1,187	1,188	1,205	1,461	2,598	3,730	6,828	1,976	1,688	1,446
Special Item - Capital Contributions	-	-	-	33,081	-	-	-	-	-	-
Total business-type activities	1,197	1,189	1,207	34,924	5,358	4,602	8,074	2,259	1,713	1,466
Total primary government	\$ 36,051	\$ 39,166	\$ 44,576	\$ 83,537	\$ 54,335	\$ 49,293	\$ 49,982	\$ 48,528	\$ 49,736	\$ 48,230
CHANGE IN NET POSITION										
Governmental activities	\$ 12,887	\$ 10,841	\$ 18,135	\$ 18,529	\$ 2,972	\$ (2,967)	\$ (2,523)	\$ 4,534	\$ 6,951	\$ 5,622
Business-type activities	6	172	(84)	37,314	1,382	1,092	7,189	2,559	2,870	2,617
Total primary government	\$ 12,893	\$ 11,013	\$ 18,051	\$ 55,843	\$ 4,354	\$ (1,875)	\$ 4,666	\$ 7,093	\$ 9,821	\$ 8,239

Data Source: Audited Financial Statements

(1) Significant decline is related to a decrease in intergovernmental expenses related to the 2007 SPLOST Fund

WALTON COUNTY, GEORGIA

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,228,606	\$ 356,976	\$ 306,496
Restricted	-	-	-	-	-	-	-	-	-	39,900
Assigned	-	-	-	-	-	-	-	6,294,453	6,139,984	-
Unassigned	-	-	-	-	-	-	-	14,828,182	15,064,042	19,672,933
Reserved	79,540	82,557	-	93,983	203,423	161,057	239,843	-	-	-
Unreserved	5,753,024	6,769,667	12,993,481	17,599,673	20,126,127	21,305,694	22,824,783	-	-	-
Total general fund	\$ 5,832,564	\$ 6,852,224	\$ 12,993,481	\$ 17,693,656	\$ 20,329,550	\$ 21,466,751	\$ 23,064,626	\$ 22,351,241	\$ 21,561,002	\$ 20,019,329
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,932	\$ 238,506	\$ 231,535
Restricted	-	-	-	-	-	-	-	18,694,711	16,858,948	9,408,576
Committed	-	-	-	-	-	-	-	463,953	535,430	480,491
Reserved	-	-	5,643,135	70,369,621	58,521,430	36,779,653	22,477,885	-	-	-
Unreserved, reported in :										
Special revenue funds	753,271	744,090	840,241	1,043,373	1,303,750	1,297,855	1,367,372	-	-	-
Debt service funds	509,089	541,495	-	-	-	-	(95,388)	-	-	-
Capital projects funds	9,859,459	4,531,161	985,934	-	-	-	(56,721)	-	-	-
Total all other governmental funds	\$ 11,121,819	\$ 5,816,746	\$ 7,469,310	\$ 71,412,994	\$ 59,825,180	\$ 38,077,508	\$ 23,693,148	\$ 19,180,596	\$ 17,632,884	\$ 10,120,602
Total reserved	\$ 79,540	\$ 82,557	\$ 5,643,135	\$ 70,463,604	\$ 58,724,853	\$ 36,940,710	\$ 22,717,728	\$ -	\$ -	\$ -
Total unreserved	\$ 16,874,843	\$ 12,586,413	\$ 14,819,656	\$ 18,643,046	\$ 21,429,877	\$ 22,603,549	\$ 24,040,046	\$ -	\$ -	\$ -
Total all funds	\$ 16,954,383	\$ 12,668,970	\$ 20,462,791	\$ 89,106,650	\$ 80,154,730	\$ 59,544,259	\$ 46,757,774	\$ 41,531,837	\$ 39,193,886	\$ 30,139,931

Data Source: Audited Financial Statements

Fund balance format changed in 2011 as a result of the provisions of GASB 54

WALTON COUNTY, GEORGIA

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes	\$ 34,801,221	\$ 37,520,783	\$ 42,248,003	\$ 45,719,807	\$ 47,844,287	\$ 44,794,165	\$ 48,126,321	\$ 48,636,167	\$ 49,786,120	\$ 48,190,254
Licenses & permits	934,040	954,246	1,793,594	1,736,390	725,568	343,592	227,959	237,616	249,962	361,909
Intergovernmental	734,263	1,111,156	2,294,357	2,517,377	635,376	2,037,334	1,638,859	993,859	1,033,340	1,824,366
Charges for services	4,393,611	3,668,940	4,855,293	4,951,533	4,367,440	2,044,463	5,751,231	6,062,943	5,915,036	5,756,856
Fines and forfeitures	1,359,292	1,445,025	1,825,741	1,834,655	2,021,821	5,302,864	1,902,633	1,775,018	1,618,059	1,354,311
Interest	342,223	408,799	924,507	2,796,924	3,519,417	1,075,584	167,846	95,180	59,316	62,113
Contributions	63,211	37,396	123,964	417,588	17,602	181,474	103,423	82,547	46,886	23,148
Other	308,586	1,146,557	208,626	211,609	948,996	227,159	260,961	245,455	245,393	573,918
Total Revenues	42,936,447	46,292,902	54,274,085	60,185,883	60,080,507	56,006,635	58,179,233	58,128,785	58,954,112	58,146,875
EXPENDITURES										
General Government	7,418,145	7,366,773	5,670,248	6,624,164	6,809,149	7,396,882	6,613,667	6,833,387	6,727,572	6,590,075
Judicial	3,521,639	3,804,317	3,803,217	4,213,524	4,442,352	4,686,430	4,901,904	5,094,439	4,954,557	4,907,060
Public Safety	14,704,719	14,855,607	14,795,337	16,452,780	18,017,628	18,715,114	20,816,214	20,036,200	20,806,809	20,246,278
Public Works	5,134,456	4,638,879	3,908,656	3,848,879	7,753,064	8,074,423	7,695,131	6,691,128	7,044,565	6,313,838
Health and Welfare	491,650	490,381	819,547	1,384,163	1,125,504	1,244,884	1,224,269	1,065,791	1,024,319	973,626
Culture & Recreation	1,760,775	1,911,023	1,999,165	2,475,434	2,636,610	3,149,723	3,287,364	3,128,025	3,061,956	2,865,348
Housing & Development	1,339,472	1,405,111	1,527,820	1,737,745	2,421,540	1,413,834	1,460,143	1,420,065	1,353,850	1,294,540
Intergovernmental	-	-	650,000	1,332,099	4,454,747	3,402,578	3,234,696	1,247,970	2,480,625	4,511,216
Capital outlay	17,950,334	6,844,455	3,842,555	7,826,655	11,743,598	13,563,745	2,937,784	2,454,870	3,704,550	2,651,787
Principal on long term debt	6,695,136	7,170,823	9,070,726	4,623,463	4,463,182	8,441,887	9,944,065	11,513,229	12,517,879	14,319,050
Interest	1,238,188	966,846	720,058	347,194	2,737,582	2,797,766	2,469,790	1,893,967	1,664,342	1,093,327
Issuance Costs	-	-	-	582,941	-	-	-	-	-	-
Total Expenditures	60,254,514	49,454,215	46,807,329	51,449,041	66,604,956	72,887,266	64,585,027	61,379,071	65,341,024	65,766,145
Excess (deficiency) of revenues over (under) expenditures	(17,318,067)	(3,161,313)	7,466,756	8,736,842	(6,524,449)	(16,880,631)	(6,405,794)	(3,250,286)	(6,386,912)	(7,619,270)
OTHER FINANCING SOURCES (USES)										
Bond debt issued	-	-	-	58,915,000	-	-	-	-	-	-
Premium on bond debt	-	-	-	2,367,366	-	-	-	-	-	-
Proceeds from capital lease	870,680	-	1,265,000	-	-	-	360,412	-	5,680,069	-
Sale of capital assets	184,470	-	137,123	85,887	-	-	87,308	-	56,933	11,585
Transfers in	13,544,134	11,333,962	2,950,680	2,424,080	1,599,601	1,250,249	2,951,097	5,021,031	5,467,118	6,794,571
Transfers out	(14,731,016)	(12,415,429)	(4,155,265)	(3,885,316)	(4,197,432)	(4,980,089)	(9,779,508)	(6,996,682)	(7,155,159)	(8,240,841)
Total other financing sources (uses)	(131,732)	(1,081,467)	197,538	59,907,017	(2,597,831)	(3,729,840)	(6,380,691)	(1,975,651)	4,048,961	(1,434,685)
Net change in fund balance	\$ (17,449,799)	\$ (4,242,780)	\$ 7,664,294	\$ 68,643,859	\$ (9,122,280)	\$ (20,610,471)	\$ (12,786,485)	\$ (5,225,937)	\$ (2,337,951)	\$ (9,053,955)
Debt service as a percentage of noncapital expenditures	23.08%	23.61%	29.51%	13.06%	15.11%	23.38%	25.21%	23.04%	23.90%	25.01%

Data Source: Audited Financial Statements

WALTON COUNTY, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax (1)	Franchise Tax	Alcoholic Beverage Tax	Insurance Premium Tax	Real Estate Transfer Tax	Other Tax	Total
2013	\$ 28,342	\$ 15,931	\$ 379	\$ 213	\$ 2,515	\$ 545	\$ 264	\$ 48,190
2012	30,333	15,863	346	218	2,355	381	290	49,786
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	22,258	16,506	180	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

Source: Tax Commissioner

(1) Includes 1% Special Local Option Sales Tax

WALTON COUNTY, GEORGIA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

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

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Health and Welfare	Culture and Recreation	Housing and Development	Debt Service	Other (1)	Total
2013	\$ 6,590	\$ 4,907	\$ 20,246	\$ 6,314	\$ 974	\$ 2,865	\$ 1,295	\$ 15,412	\$ 7,163	\$ 65,766
2012	6,728	4,955	20,807	7,045	1,024	3,062	1,354	14,182	6,184	65,341
2011	6,833	5,094	20,036	6,691	1,066	3,128	1,420	13,407	3,704	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	16,199	66,607
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	46,807
2005	7,367	3,804	14,856	4,639	490	1,911	1,405	8,138	6,844	49,454
2004	7,418	3,522	14,705	5,134	492	1,761	1,339	7,933	17,950	60,254

Source: Finance Department

(1) - Includes intergovernmental expenses and capital outlay

WALTON COUNTY, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Tax Year	Real Property				Personal Property				Less Exemptions:			Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	
		Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Inventory & Equipment	Motor Vehicles	Mobile Homes	Other (2)	Real Property	Personal Property	Total Taxable Assessed Value				
2013	2012	\$ 1,381,176	\$ 157,739	\$ 324,373	\$ 83,515	\$	232,162	\$ 216,600	\$ 10,243	\$ 4,407	\$ 152,985	\$ 51,102	\$ 2,206,127	12.410	\$ 5,515,317	40.00%
2012	2011	1,583,810	261,062	325,583	81,366		223,263	217,337	10,592	3,924	236,455	37,834	2,432,647	12.175	6,081,618	40.00%
2011	2010	1,808,305	303,668	345,840	83,515		210,292	221,024	10,592	3,908	311,502	22,490	2,653,152	11.032	6,632,880	40.00%
2010	2009	1,863,686	303,587	343,052	74,120		218,176	251,611	11,991	4,940	308,471	20,497	2,742,195	10.882	6,855,488	40.00%
2009	2008	2,074,423	336,236	340,304	70,214		233,542	243,221	11,876	4,839	410,139	24,246	2,880,270	10.055	7,200,675	40.00%
2008	2007	1,990,790	333,143	315,531	69,626		184,530	229,630	11,923	4,677	407,648	25,311	2,706,891	10.064	6,767,228	40.00%
2006	2006	1,765,565	305,189	295,482	64,936		180,082	206,398	12,672	4,638	340,191	26,335	2,468,436	10.064	6,171,090	40.00%
2005	2005	1,565,708	281,182	258,390	59,942		172,995	208,583	13,165	4,591	298,615	26,420	2,239,461	10.064	5,598,653	40.00%
2005	2004	1,304,003	241,241	212,216	61,162		157,884	196,538	13,930	4,725	203,911	25,080	1,962,708	10.064	4,906,770	40.00%
2004	2003	1,199,588	243,412	191,307	56,548		139,848	194,533	14,292	3,725	198,200	21,956	1,823,097	10.084	4,557,743	40.00%

Source: Tax Assessor

(1) Includes Conservation Use, Preferential Property and Forest Land.

(2) Includes Timber, Airplanes, Boats, RV's, etc.

WALTON COUNTY, GEORGIA

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

Fiscal Year	Operating Millage	School District			State	Total Direct & Overlapping Rates
		Operating Millage	Debt Service Millage	Total School Millage		
2013	12.410	19.600	3.500	21.800	0.200	34.410
2012	12.175	19.600	2.200	21.800	0.250	34.225
2011	11.032	18.600	2.200	20.800	0.250	32.082
2010	10.882	18.250	2.200	20.450	0.250	31.582
2009	10.055	17.490	2.450	19.940	0.250	30.245
2008	10.064	17.240	2.700	19.940	0.250	30.254
2007	10.064	17.240	2.700	19.940	0.250	30.254
2006	10.064	17.240	1.600	18.840	0.250	29.154
2005	10.064	18.020	0.820	18.840	0.250	29.154
2004	10.084	17.020	0.880	17.900	0.250	28.234

Source: Tax Commissioner

Overlapping rates are those of local and county governments that apply to property owners within the County.

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 special district.) The County only has one direct rate for operating millage. As such, there are no components to disclose

WALTON COUNTY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
June 30, 2013
(amounts expressed in thousands)

Item	Taxpayer	2013			2004		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
1	Walton EMC	\$31,891	1	1.45%			
2	Walton County Power, LLC	\$22,406	2	1.02%			
3	MPC Generating, LLC	\$18,775	3	0.85%			
4	Monroe HMA, Inc.	\$12,522	4	0.57%			
5	Transcontinental Gas	\$12,159	5	0.55%	\$13,412	3	0.74%
6	Hitachi Automotive	\$10,624	6	0.48%			
7	Georgia Power Corp.	\$10,442	7	0.47%	\$5,076	7	0.28%
8	Georgia Transmission	\$10,291	8	0.47%			
9	Alexander Crossing Part	\$8,446	9	0.38%			
10	Pike Electric, Inc.	\$6,171	10	0.28%			
11	L & P Materials MFG, Inc.				\$4,939	8	0.27%
12	Murray E. Kenneth, Sr.				\$5,327	6	0.29%
13	Wal-Mart Real Estate				\$15,401	2	0.84%
14	Avondale Mills				\$7,591	4	0.42%
15	Alltell GA Communications				\$7,135	5	0.39%
16	Meridian Homes				\$4,768	9	0.26%
17	Bell South Telecomm, Inc.				\$4,425	10	0.24%
Totals		\$143,727		6.51%	\$85,876		4.71%

Source: Tax Commissioner

WALTON COUNTY, GEORGIA

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

Fiscal Year	Total Levy	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Tax Collections	% of Total Levy Collected	Outstanding Delinquent Taxes
		Amount	Percentage of Original Levy				
2013	\$ 24,365	\$ 23,434	96.2%	\$ -	\$ 23,434	96.2%	\$ 931
2012	26,094	25,392	97.31	549	25,941	99.41	153
2011	26,279	25,367	96.53	858	26,225	99.79	54
2010	26,450	25,318	95.72	1,066	26,384	99.75	66
2009	26,021	24,736	95.06	1,205	25,941	99.69	80
2008	24,447	23,728	97.06	662	24,390	99.77	57
2007	22,201	21,921	98.74	243	22,164	99.83	37
2006	19,895	19,654	98.79	240	19,894	99.99	1
2005	17,357	17,152	98.82	204	17,356	99.99	1
2004	16,050	15,802	98.45	247	16,049	99.99	1

Source: Tax Commissioner

WALTON COUNTY, GEORGIA

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Special Assessment Billings	Special Assessments Collected	Collected as Percentage of Billings
2013	\$ 488	\$ 482	98.8%
2012	506	491	97.04
2011	503	539	107.16
2010	498	495	99.40
2009	495	462	93.33
2008	437	438	100.23
2007	415	413	99.52
2006	347	344	99.14
2005	301	298	99.00
2004	271	259	95.57

Source: Tax Commissioner

WALTON COUNTY, GEORGIA

TOP 10 WATER CUSTOMERS CURRENT YEAR AND SEVEN YEARS AGO

Customer	2013				2006			
	Usage in Kgallons	Annual Revenue	Rank	Percentage of Total Revenue	Usage in Kgallons	Annual Revenue	Rank	Percentage of Total Revenue
City of Loganville	322,489,000	\$ 844,921	1	9.67%	298,824,000	\$ 500,140	1	11.01%
Walton County BOE	12,338,000	109,098	2	1.25%				
City of Social Circle	12,195,000	31,951	3	0.37%	22,116,000	37,597	2	0.83%
Youth Mobile Home Park	6,212,000	52,923	4	0.61%	7,383,000	40,983	3	0.90%
Arocvia Properties, Inc.	3,349,000	27,970	6	0.32%	2,906,000	14,447	7	0.32%
Jackson Mobile Home Park	3,156,000	27,072	5	0.31%	3,074,000	17,112	5	0.38%
Simmeron Mobile Home Park (1)	2,599,000	22,235	7	0.25%	2,926,000	32,606	6	0.72%
Summers Landing	2,133,000	20,099	8	0.23%	1,687,000	9,569	10	0.21%
Loganville Christian Academy	804,000	7,009	9	0.08%				
KEMCO	655,000	5,372	10	0.06%				
City of Jersey					4,852,000.00	8,242.60	4	0.18%
Georgia Water & Well Service					2,701,000	15,178	8	0.33%
Herman Carruth					2,006,000	11,561	9	0.25%
Total	365,930,000	1,148,650		13.15%	348,475,000	687,435		15.13%
All Others	872,375,000	7,586,112		86.85%	752,398,000	3,856,693		84.87%
Annual Totals	1,238,305,000	\$ 8,734,762		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

WALTON COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years (amounts expressed in thousands, except per capita amounts)

Fiscal Year	Governmental Activities					Direct Business-Type Activities (2)				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Leases	Certificates of Participation	Installment Sales	Intergovernmental Contracts	Water Revenue Bonds	Capital Leases and GEFA Notes	Water Notes Payable	Water Intergovernmental Contracts			
2013	\$ -	\$ 5,728	\$ -	\$ -	\$ 2,220	\$ 82,310	\$ 1,012	\$ -	\$ -	\$ 91,270	4.66%	\$ 1,069
2012	13,915	5,896	-	-	2,456	83,945	-	-	-	106,212	5.42	1,244
2011	26,165	288	-	-	2,652	80,420	-	-	5,907	115,432	5.64	1,276
2010	37,415	360	-	-	2,843	78,345	403	2,922	6,279	128,567	6.78	1,535
2009	46,915	-	-	253	3,034	78,950	477	3,327	6,639	139,595	5.17	1,599
2008	54,915	-	-	506	3,223	79,530	547	3,695	6,753	149,169	5.61	1,739
2007	58,915	25	-	759	3,239	19,560	614	7,584	6,861	97,557	3.84	1,172
2006	3,750	506	-	1,012	3,379	20,090	678	7,954	6,964	44,333	1.91	559
2005	10,750	972	1,215	1,265	3,517	-	-	-	-	17,719	0.85	235
2004	16,980	1,570	1,420	-	3,655	-	-	-	-	23,625	1.26	329

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.

WALTON COUNTY, GEORGIA

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)
2013	\$ -	\$ -	\$ -	0.00%	\$ -
2012	13,915	5,610	8,305	0.14	99
2011	26,165	5,225	20,940	0.32	232
2010	37,415	5,343	32,072	0.47	383
2009	46,915	5,348	41,567	0.58	476
2008	54,915	6,462	48,453	0.72	565
2007	58,915	3,600	55,315	0.90	665
2006	3,750	1	3,749	0.07	47
2005	10,750	605	10,145	0.21	134
2004	16,980	598	16,382	0.36	228

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.

WALTON COUNTY, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT as of June 30, 2013 (amounts expressed in thousands)

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
Capital Leases	\$ 5,728	100%	\$ 5,728
Intergovernmental Contracts	<u>2,220</u>	100%	<u>2,220</u>
Total direct debt	7,948		7,948
Overlapping:			
Walton County School District:			
General Obligation Bonds (1)	<u>60,665</u>	100%	<u>60,665</u>
Total Direct and Overlapping	<u>\$ 68,613</u>		<u>\$ 68,613</u>

Sources: Assess value data used to estimate applicable percentages provided by the State Department of Revenue. Debt outstanding provided by the Walton County School District.

(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.

WALTON COUNTY, GEORGIA

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Valuations: (1)										
Assessed Value	\$ 2,021,297	\$ 2,166,619	\$ 2,538,076	\$ 2,808,627	\$ 3,114,539	\$ 3,290,409	\$ 3,050,666	\$ 2,964,654	\$ 2,669,102	\$ 2,359,112
Debt limit (10% of total assessed value)	202,130	216,662	253,808	280,863	311,454	329,041	305,067	296,465	266,910	235,911
Amount of Debt applicable to limit:										
General obligation bonds	18,400	11,965	3,750	58,915	54,915	46,915	37,415	26,165	13,915	-
Less: Amount set aside for repayment of general obligation debt	(598)	(605)	(1)	(3,600)	(6,462)	(5,348)	(5,343)	(5,225)	(5,610)	-
Total net debt applicable to limit	17,802	11,360	3,749	55,315	48,453	41,567	32,072	20,940	8,305	-
Legal debt margin	\$ 184,328	\$ 205,302	\$ 250,059	\$ 225,548	\$ 263,001	\$ 287,474	\$ 272,995	\$ 275,525	\$ 258,605	\$ 235,911
Total net debt applicable to the limit as a percentage of debt limit	8.81%	5.24%	1.48%	19.69%	15.56%	12.63%	10.51%	7.06%	3.11%	0.00%

Source: (1) Tax Assessor

WALTON COUNTY, GEORGIA

PLEGGED-REVENUE COVERAGE Last Seven Fiscal Years (1) (amounts expressed in thousands)

Fiscal Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 9,124	\$ 4,724	\$ 4,400	\$ 1,635	\$ 3,643	0.83
2012	9,052	4,605	4,447	1,250	3,547	0.93
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	1.47
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.

WALTON COUNTY, GEORGIA

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)
2013	85,390	\$ 1,958,249	\$ 22,933	37.0	13,656	8.6%
2012	83,768	1,869,199	22,314	37.3	13,210	9.9%
2011	90,444	2,047,381	22,637	35.2	14,966	10.1%
2010	83,758	1,894,941	22,624	37.4	14,836	10.3%
2009	87,311	2,702,014	30,947	36.7	14,642	10.2%
2008	85,782	2,661,129	31,022	34.6	14,530	6.5%
2007	83,241	2,539,017	30,502	34.5	13,891	4.7%
2006	79,295	2,327,150	29,348	34.6	13,446	4.5%
2005	75,494	2,094,883	27,749	34.6	12,811	4.7%
2004	71,741	1,877,605	26,172	34.6	12,196	4.4%

Data Sources

- (1) Bureau of the Census
- (2) Bureau of Economic Analysis
- (3) Federal Reserve Economic Data
- (4) State Department of Education

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. 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.

WALTON COUNTY, GEORGIA

PRINCIPAL EMPLOYERS Current Year and Ten Years Ago

Employer	2013			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Walton County Board of Education	1,876	1	5.10%	1,845	1	5.57%
Wal-Mart Supply Chain	900	2	2.45%	580	2	1.75%
Walton County Government	721	3	1.96%	560	3	1.69%
Clearview Regional Medical Center	415	4	1.13%			
Wal-Mart Store - Loganville	350	5	0.95%			
Hitachi Automotive Systems Americas, Inc.	325	6	0.88%			
Wal-Mart Store - Monroe	300	7	0.82%			
Standridge Color Corporation	280	8	0.76%	310	4	0.94%
Leggett & Platt, Inc.	275	9	0.75%	300	5	0.91%
Social Circle City Schools	270	10	0.73%			
Crane Plumbing				260	6	0.79%
Avondale Manufacturing				250	7	0.76%
Oxford Slacks				230	8	0.69%
Goodyear Tire and Rubber				215	9	0.65%
Certain Teed Corporation				175	10	0.53%
Total	5,712		15.53%	4,725		14.28%

Information for 2004 is not available.

Source: State Department of Commerce.

WALTON COUNTY, GEORGIA

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

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government	147	148	141	138	139	132	139	138	132	134
Public Safety										
Sheriffs Office										
Deputies	151	155	156	154	155	151	151	137	137	134
Civilians	20	20	20	20	20	19	18	19	19	19
Total Sheriffs Office	171	175	176	174	175	170	169	156	156	153
Fire										
Firefighters and Officers	49	51	52	50	51	50	50	50	45	45
Civilians	1	1	1	1	1	1	1	1	2	1
Total Fire	50	52	53	51	52	51	51	51	47	46
EMS, E911 & Animal Control	48	56	56	57	58	56	58	52	53	50
Total Public Safety	269	283	426	420	424	409	417	397	388	383
Public Works										
Supervision and Administration	16	15	15	17	16	16	16	17	15	15
Maintenance	36	33	35	37	36	33	37	38	36	35
Total Public Works	52	48	50	54	52	49	53	55	51	50
Recycling	9	9	9	10	10	10	10	9	11	9
Culture and Recreation	24	24	25	26	25	24	26	25	21	25
Water	22	23	25	28	26	29	28	-	-	-
Total	523	535	535	538	537	521	534	486	471	467

Source: Finance Department

WALTON COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Sheriff										
Physical Arrests (1)	3,697	3,515	4,111	5,964	5,628	5,415	5,412	4,969	4,941	4,922
Traffic Violations (1)	8,911	9,763	9,369	14,382	14,468	7,428	6,524	6,650	6,167	9,389
Fire										
Number of Calls Answered	4,200	4,000	3,100	3,112	3,067	2,935	2,993	3,075	3,317	3,255
Pre- Fire Plans	106	103	103	103	103	103	103	103	99	97
Highways and Streets										
Street Resurfacing (miles)	28.43	29.70	40.84	52.00	27.60	59.81	37.50	26.47	23.08	N/A
Potholes Repaired	104	50	37	115	45	43	131	93	N/A	N/A
Sanitation										
Refuse Collected (tons/year)	3,337	3,598	3,588	3,262	3,234	3,369	3,037	2,809	2,661	2,529
Recyclables Collected (tons/year)	730	730	830	1,136	649	1,020	1,045	1,235	1,446	1,400
Culture and Recreation										
Athletic Facility Permits Issued	38	42	71	43	41	28	26	7	9	11
Park Facility Permits Issued	326	193	151	151	125	94	71	61	48	81
Community Center Memberships (2)	3,491	3,257	3,000	1,500	1,000	500	N/A	N/A	N/A	N/A
Water										
New Connections	149	42	41	47	110	258	660	746	911	792
Water Mains Breaks	22	20	11	7	12	5	7	12	5	17

Source: County Departments

(1) Information is Calendar Year as reported to the Governor's Office of Highway Safety. 2011, 2012 and 2013 are year-to-date through September.

(2) Family Memberships (each consist of 1 or more individuals) = 929. Senior Memberships (life-time memberships) = 2,562.

WALTON COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public Safety										
Sheriffs Office										
Stations	2	2	2	2	2	2	2	2	1	1
Vehicles	134	129	126	129	120	131	115	125	110	103
Fire										
Stations	11	11	11	11	11	11	11	11	11	11
Vehicles	37	36	36	37	36	36	36	32	32	31
Highways and Streets										
Streets (miles)	709	709	744	744	744	744	744	744	700	691
Streetlights (1)	3,219	3,234	3,312	3,334	3,330	3,058	2,803	N/A	N/A	N/A
Equipment	49	46	50	51	51	51	51	47	42	42
Vehicles	43	43	44	48	48	48	48	44	40	43
Recycling										
Vehicles	3	3	3	3	3	3	3	4	4	4
Equipment	68	68	63	63	63	63	63	63	61	56
Solid Waste										
Vehicles	4	4	5	4	4	4	4	5	5	5
Equipment	23	15	15	15	15	13	12	12	11	11
Culture and Recreation										
Parks Acreage - County Owned	276.70	276.70	273.70	273.70	273.70	236.70	221.70	185.70	124.20	124.20
Parks - County Owned	11	11	11	11	11	10	8	4	3	3
Parks Acreage - County Maintained	380.40	380.40	87.70	87.70	87.70	87.70	87.70	87.37	83.70	83.70
Parks - County Maintained	17	17	6	6	6	6	6	6	5	5
Community Centers	3	3	3	3	3	3	1	1	1	1
Water & Sewer										
Water Mains (miles)	526	526	526	512	500	475	450	425	400	400
Fire Hydrants	2,776	2,776	2,776	2,703	2,640	2,508	2,376	2,244	2,112	2,112
Maximum Daily Capacity	10,750	10,750	10,750	10,750	9,000	8,750	8,750	8,750	8,750	8,750

(thousands of gallons)

Source: County Departments

(1) Walton EMC

N/A - Information not available