



RECEIVED
OCT 8 2000 *TR*

DEPT. OF AUDITS

69609
mt

WALKER COUNTY, GEORGIA
ANNUAL FINANCIAL STATEMENTS
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 1999

**WILLIAMSON
& COMPANY**

Certified Public Accountants
Cartersville, Georgia

WALKER COUNTY, GEORGIA

Annual Financial Statements

For The

Fiscal Year Ended September 30, 1999

**Walker County, Georgia
Comprehensive Annual Financial Report
Year Ended September 30, 1999**

TABLE OF CONTENTS

Financial Section

Independent Auditor's Report..... 1

General Purpose Financial Statements

- Exhibit 1 - Combined Balance Sheet – All Fund Types and Account Groups..... 3
- Exhibit 2 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - All Governmental Fund Types 5
- Exhibit 3 - Combined Statements of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types 7
- Exhibit 4 - Statement of Revenues, Expenses and Changes in Retained Earnings – All Proprietary Fund Types and Discretely Presented Component Units..... 8
- Exhibit 5 - Statement of Cash Flows – All Proprietary Fund Types and Discretely Presented Component Units 9

Notes to Financial Statements 11

Financial Statements of Individual Funds:
GENERAL FUND

- Comparative Balance Sheets 28
- Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance 29
- Schedule of Revenues and Expenditures – Budget and Actual 30

SPECIAL REVENUE FUNDS

- Combining Balance Sheet – All Special Revenue Funds..... 36
- Combining Statement of Revenue, Expenditures and Changes in Fund Balance – All Special Revenue Funds 37
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget 38

CAPITAL PROJECTS

- Combining Balance Sheet 39
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance 40

(Continued)

Walker County, Georgia
Comprehensive Annual Financial Report
Year Ended September 30, 1999

TABLE OF CONTENTS

(Continued)

INTERNAL SERVICE FUND

Comparative Balance Sheets	41
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings	42
Comparative Statement of Cash Flows	43

TRUST AND AGENCY FUNDS

• Combining Balance Sheet – Trust and Agency Funds	44
• Tax Commissioner – Statement of Changes in Assets and Liabilities	46
• Clerk of Superior Court – Statement of Changes in Assets and Liabilities	47
• Probate Judge – Statement of Changes in Assets and Liabilities	48
• Magistrate Court – Statement of Changes in Assets and Liabilities	49
• Special Local Option Sales Tax – Statement of Changes in Assets and Liabilities	50
• Pension Trust Fund – Statement of Plan Net Assets	51
• Pension Trust Fund – Statement of Changes in Plan Net Assets	52
• Public Employees Retirement System – Required Supplementary Information	53

COMPLIANCE SECTION

• Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
• Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	57
• Schedule of Expenditures of Federal Awards	59
• Summary Schedule of Prior Audit Findings	60
• Combined Schedule of Findings and Questioned Costs	64
• Independent Auditor's Report on Special Purpose Local Option Sales Tax	66
• Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds	67

FINANCIAL SECTION

P.O. BOX 473
611 N. TENNESSEE ST
CARTERSVILLE, GA 30120
(770) 382-3361
FAX (770) 386-8382



EARL WILLIAMSON
LLOYD WILLIAMSON

GREG BRADY
MARIE WILLIAMSON

INDEPENDENT AUDITOR'S REPORT

Commissioner
Walker County
Lafayette, Georgia 30728

We have audited the accompanying general purpose financial statements of Walker County, Georgia, as of and for the year ended September 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Walker County, Georgia's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the component unit, the Walker County Water and Sewerage Authority which statements reflect total assets of \$28,657,882 as of September 30, 1999, and total revenues of \$2,917,518 for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Walker County Water and Sewerage Authority in the Component Unit column, is based on the report of other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards contained in *Governmental 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to obtain the records supporting the financial activities of the Law Library on a timely basis, nor were we able to satisfy ourselves as to those financial activities by other auditing procedures.

Due to the Clerk of Court's lack of internal checks and balances, proper recording of receipts and disbursements, accurate documentation supporting financial transactions, and adequate controls over cash we were unable to properly examine records and perform tests to validate reported financial statement balances. Also, due to the above inadequacies the Clerk of Courts made excess payments to the General Fund of approximately \$85,000 during fiscal year 1999.

As described more fully in Note 1, the general purpose financial statements referred to above do not include general fixed assets acquired prior to 1984. In our opinion, generally accepted accounting principles require that these assets be included in the balance sheet.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain the audited financial statements of the Law Library, the clerk of court's agency fund, and the general fixed assets account group and had we been able to satisfy ourselves as to those financial activities by other auditing procedures, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Walker County, Georgia, as of September 30, 1999, and the results of its operations and cash flows of its nonexpendable trust funds for the year then ended in conformity with generally-accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2000, on our consideration of Walker County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Walker County taken as a whole and on the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States and Local Governments and Non-Profit Organizations*, and the Schedule of Projects constructed with Special Local Option Sales Tax Proceeds as required by Georgia code section OCGA 48-8-121 are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of Walker County, Georgia. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Williamson & Co.

Williamson & Company, CPAs
Cartersville, Georgia
August 9, 2000

WALKER COUNTY, GEORGIA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNITS
 SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR 1998)

Exhibit 1

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Capital Projects	Internal Service	Agency
ASSETS					
Cash	\$ 1,671,547	\$ 11,609	\$ 11,349,051	\$ 20,208	\$ 5,784,830
Deposits	-	-	-	-	-
Investments	-	-	-	-	-
Inventory	-	-	-	-	-
Receivables (net of allowances for uncollectible):					
Taxes	30,319	-	-	-	1,757,957
Accounts	93,048	-	-	-	-
Grants	197,030	-	-	-	-
Interest	23,559	-	-	-	-
Capital Lease	-	-	-	-	-
Other	338,641	-	-	-	-
Due From Other Funds	1,664,252	-	-	-	27,479
Due From Other Governments	2,229,576	-	-	-	-
Fixed Assets - Net of Accumulated Depreciation	-	-	-	-	-
Restricted Cash	-	-	-	-	-
Unamortized Bond Discount	-	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-
TOTAL ASSETS	\$ 6,247,972	\$ 11,609	\$ 11,349,051	\$ 20,208	\$ 7,570,266
LIABILITIES					
Accounts Payable and Accrued Expenses	\$ 949,462	\$ -	\$ -	\$ 4,603	\$ -
Due to Other Funds	168,963	106,558	-	-	306,849
Due to Other Governments	91,950	-	-	-	4,542,804
Due to Heirs, Litigants and Others	-	-	-	-	411,204
Deferred Revenues	6,521	-	-	-	-
Customer Deposits	-	-	-	-	-
Capital Leases	-	-	-	-	-
Landfill Cost Obligation	-	-	-	-	-
Interest Payable	-	-	-	-	-
Note and Bonds Payables	-	-	-	-	-
TOTAL LIABILITIES	1,216,896	106,558	-	4,603	5,260,857
FUND EQUITY					
Investment in General Fixed Assets	-	-	-	-	-
Contributed Capital	-	-	-	-	-
Retained Earnings	-	-	-	15,605	-
Fund Balances:					
Reserved for Completion of Projects	-	-	11,349,051	-	-
Reserved for E911 and Fire and Rescue	-	(94,949)	-	-	-
Reserved for Employees Retirement Plan	-	-	-	-	2,309,409
Reserved for Landfill	139,800	-	-	-	-
Unreserved, Undesignated	4,891,276	-	-	-	-
TOTAL FUND EQUITY	5,031,076	(94,949)	11,349,051	15,605	2,309,409
TOTAL LIABILITIES AND FUND EQUITY	\$ 6,247,972	\$ 11,609	\$ 11,349,051	\$ 20,208	\$ 7,570,266

(Continued)

The accompanying notes are an integral part of this financial statement.

**WALKER COUNTY, GEORGIA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR 1998)**

(Continued)

Account Groups		Total (Memorandum Only)	Component Unit	Totals (Memorandum Only) Reporting Entity	
General Fixed Assets	General Long-Term Debt	Primary Government	Water and Sewer Authority	1999	1998
\$ -	\$ -	\$ 18,837,245	\$ 527,246	\$ 19,364,491	\$ 19,057,305
-	-	-	377	377	377
-	-	-	-	-	-
-	-	-	49,078	49,078	39,393
-	-	1,788,276	-	1,788,276	1,285,602
-	-	93,048	382,219	475,267	28,515
-	-	197,030	-	197,030	81,718
-	-	23,559	3,126	26,685	24,889
-	-	-	689,006	689,006	717,464
-	-	338,641	75,577	414,218	294,553
-	-	1,691,731 ✓	-	1,691,731	402,118
-	-	2,229,576	16,552	2,246,128	2,302,315
26,082,857 ✓	-	26,082,857	23,867,364 ✓	49,950,221	47,870,205
-	-	-	2,822,209	2,822,209	2,963,464
-	-	-	225,128	225,128	253,558
-	15,447,309	15,447,309	-	15,447,309	13,027,989
<u>\$ 26,082,857</u>	<u>\$ 15,447,309</u>	<u>\$ 66,729,272</u>	<u>\$ 28,657,882</u>	<u>\$ 95,387,154</u>	<u>\$ 88,349,465</u>
\$ -	\$ -	\$ 954,065	\$ 138,332	\$ 1,092,397	\$ 1,112,385
-	-	582,370 ✓	-	582,370	402,118
-	-	4,634,754	-	4,634,754	5,238,682
-	-	411,204	-	411,204	629,435
-	-	6,521	-	6,521	1,270,461
-	-	-	313,172	313,172	298,646
-	5,193,141 ✓	5,193,141	-	5,193,141	5,360,140
-	2,464,168 ✓	2,464,168	-	2,464,168	2,597,849
-	-	-	227,512 ✓	227,512	235,878
-	7,790,000 ✓	7,790,000	7,841,577 ✓	15,631,577	13,238,469
-	15,447,309 ✓	22,036,223	8,520,593	30,556,816	30,384,063
26,082,857	-	26,082,857	-	26,082,857	23,736,538
-	-	-	15,533,690 ✓	15,533,690	15,423,404
-	-	15,605	4,603,599 ✓	4,619,204	4,756,823
-	-	11,349,051	-	11,349,051	7,502,316
-	-	(94,949)	-	(94,949)	-
-	-	2,309,409	-	2,309,409	1,658,778
-	-	139,800	-	139,800	481,701
-	-	4,891,276	-	4,891,276	4,405,842
26,082,857	-	44,693,049	20,137,289	64,830,338	57,965,402
<u>\$ 26,082,857</u>	<u>\$ 15,447,309</u>	<u>\$ 66,729,272</u>	<u>\$ 28,657,882</u>	<u>\$ 95,387,154</u>	<u>\$ 88,349,465</u>

The accompanying notes are an integral part of this financial statement.

WALKER COUNTY, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

Exhibit 2

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property Taxes	\$ 3,826,400	\$ 3,792,582	\$ (33,818)
Other Taxes	5,669,223	7,348,834	1,679,611
Licenses and Permits	71,206	85,492	14,286
Charges for Current Services	1,628,476	1,571,501	(56,975)
Intergovernmental Revenue	824,845	1,524,466	699,621
Fees from County Officials	1,052,936	1,337,326	284,390
Investment Earnings	275,000	118,226	(156,774)
Other Revenue	204,017	524,283	320,266
Total Revenue	<u>13,552,103</u>	<u>16,302,710</u>	<u>2,750,607</u>
EXPENDITURES			
Current			
General Government	2,826,936	2,805,036	21,900
Judicial	1,880,055	1,830,760	49,295
Sheriff	3,364,055	3,364,881	(826)
Public Safety	226,951	204,722	22,229
Public Works	4,332,005	4,324,367	7,638
Culture and Recreation	115,537	113,482	2,055
Health and Welfare	746,035	595,409	150,626
Unallocated Expenditures	1,205,350	1,207,643	(2,293)
Other Programs and Services	626,502	630,361	(3,859)
Capital Expenditures	483,600	469,132	14,468
Debt Service - Principal	255,071	254,495	576
Debt Service - Interest	195,615	195,615	-
Total Expenditures	<u>16,257,712</u>	<u>15,995,903</u>	<u>261,809</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,705,609)</u>	<u>306,807</u>	<u>3,012,416</u>
Other Financing Sources (Uses):			
Operating transfer - out	-	(219,933)	(219,933)
Operating transfer - in	-	-	-
Bond Proceeds	-	-	-
Proceeds from Capital Leases	-	433	433
Total Other Financing Sources (Uses)	<u>-</u>	<u>(219,500)</u>	<u>(219,500)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and other Financing uses	<u>\$ (2,705,609)</u>	<u>87,307</u>	<u>\$ 2,792,916</u>
Fund Balance - October 1		4,887,544 ✓	
Prior Period Adjustment		4,254	
Fund Balance as Restated		4,891,798	
Residual Equity Transfer-in		51,971	
Fund Balance - September 30		<u>\$ 5,031,076</u> ✓	

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

Exhibit 2

(Continued)

Special Revenue Fund			Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,317,976	2,317,976
-	-	-	-	-	-
1,154,000	1,075,078	(78,922)	-	-	-
-	-	-	-	-	-
-	3,508	3,508	-	432,276	432,276
13,500	454	(13,046)	-	-	-
<u>1,167,500</u>	<u>1,079,040</u>	<u>(88,460)</u>	<u>-</u>	<u>2,750,252</u>	<u>2,750,252</u>
-	-	-	-	6,054	(6,054)
-	-	-	-	-	-
880,639	1,006,706	(126,067)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,885	99,945	8,940	-	1,370,006	(1,370,006)
182,504	182,504	-	-	1,910,000	(1,910,000)
104,767	104,767	-	-	393,831	(393,831)
<u>1,276,795</u>	<u>1,393,922</u>	<u>(117,127)</u>	<u>-</u>	<u>3,679,891</u>	<u>(3,679,891)</u>
<u>(109,295)</u>	<u>(314,882)</u>	<u>(205,587)</u>	<u>-</u>	<u>(929,639)</u>	<u>(929,639)</u>
-	-	-	-	-	-
-	219,933	219,933	-	-	-
-	-	-	-	4,851,000	4,851,000
-	-	-	-	-	-
<u>-</u>	<u>219,933</u>	<u>219,933</u>	<u>-</u>	<u>4,851,000</u>	<u>4,851,000</u>
<u>\$ (109,295)</u>	<u>(94,949)</u>	<u>\$ 14,346</u>	<u>\$ -</u>	<u>3,921,361</u>	<u>\$ 3,921,361</u>
-	-	-	-	7,502,316	-
-	-	-	-	(74,626)	-
-	-	-	-	7,427,690	-
<u>\$ (94,949)</u> ✓	<u>\$ (94,949)</u>	<u>\$ 14,346</u>	<u>\$ -</u>	<u>\$ 11,349,051</u> ✓	<u>\$ 3,921,361</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

Exhibit 3

	Governmental Fund Types			Total (Memorandum Only)	
	General	Special Revenue	Capital Projects	1999	1998
	REVENUE				
Property Taxes	\$ 3,792,582	\$ -	\$ -	\$ 3,792,582	\$ 3,505,377
Other Taxes	7,348,834	-	2,317,976	9,666,810	7,363,397
Licenses and Permits	85,492	-	-	85,492	78,173
Charges for Services	1,571,501	1,075,078	-	2,646,579	3,324,443
Intergovernmental Revenue	1,524,466	-	-	1,524,466	984,933
Fees From County Officials	1,337,326	-	-	1,337,326	1,079,380
Investment Earnings	118,226	3,508	432,276	554,010	412,377
Other Revenue	524,283	454	-	524,737	726,993
Total Revenues	16,302,710	1,079,040	2,750,252	20,132,002	17,475,073
EXPENDITURES					
Current					
General Government	2,805,036	-	6,054	2,811,090	2,000,616
Judicial	1,830,760	-	-	1,830,760	1,705,075
Sheriff	3,364,881	-	-	3,364,881	3,305,224
Public Safety	204,722	1,006,706	-	1,211,428	1,045,990
Public Works	4,324,367	-	-	4,324,367	3,674,829
Culture and Recreation	113,482	-	-	113,482	99,975
Health and Welfare	595,409	-	-	595,409	585,983
Unallocated Employee Benefits	1,207,643	-	-	1,207,643	1,351,662
Other	630,361	-	-	630,361	645,890
Capital Expenditures	469,132	99,945	1,370,006	1,939,083	1,536,387
Debt Service - Principal	254,495	182,504	1,910,000	2,346,999	434,251
Debt Service - Interest	195,615	104,767	393,831	694,213	295,345
Total Expenditures	15,995,903	1,393,922	3,679,891	21,069,716	16,681,227
Excess (Deficiency) of Revenues Over (Under) Expenditures	306,807	(314,882)	(929,639)	(937,714)	793,846
Other Financing Sources (Uses)					
Bond Proceeds	-	-	4,851,000	4,851,000	4,800,000
Operating transfers - in	-	219,933	-	219,933	-
Operating transfers - out	(219,933)	-	-	(219,933)	-
Proceeds from Capital Lease	433	-	-	433	280,877
Total Other Financial Sources (Uses)	(219,500)	219,933	4,851,000	4,851,433	5,080,877
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	87,307	(94,949)	3,921,361	3,913,719	5,874,723
Fund Balance - October 1	4,887,544	-	7,502,316	12,389,860	4,931,509
Prior Period Adjustment	4,254	-	(74,626)	(70,372)	1,583,628
Fund Balance as Restated	4,891,798	(94,949)	7,427,690	12,319,488	6,515,137
Residual Equity Transfer-in	51,971	-	-	51,971	-
Fund Balance - September 30	\$ 5,031,076	\$ (94,949)	\$ 11,349,051	\$ 16,285,178	\$ 12,389,860

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

Exhibit 4

	Primary Government		Totals (Memorandum Only)	
	Proprietary Fund Type	Component Unit		
	Internal Service	Water and Sewerage	1999	1998
Operating Revenues				
Water Sales	\$ -	\$ 1,865,079	\$ 1,865,079	\$ 1,799,752
Sewerage Charges	-	857,878	857,878	875,926
Wastewater Treatment Surcharge	-	38,257	38,257	31,373
Charges for Services	75,590	-	75,590	-
Penalties	-	60,592	60,592	56,731
Tap and Reconnections	-	88,080	88,080	88,048
Other	-	25,550	25,550	35,309
Refunds	-	(17,918)	(17,918)	(1,923)
Total Operating Revenues	<u>75,590</u>	<u>2,917,518</u>	<u>2,993,108</u>	<u>2,885,216</u>
Operating Expenses				
Salaries	-	523,427	523,427	488,730
Employee Benefits	-	186,843	186,843	168,735
Charge for Services	-	338,666	338,666	374,425
Professional Fees	-	62,040	62,040	78,732
Utilities	-	467,896	467,896	462,983
Repairs and Maintenance	-	223,655	223,655	238,963
Travel and Training	-	17,348	17,348	20,253
Office Expense	-	85,730	85,730	105,012
Contracts	-	74,462	74,462	79,911
Claims Paid	66,857	-	66,857	-
Depreciation and Amortization	-	782,791	782,791	752,960
Bad Debts	-	4,463	4,463	4,716
Total Operating Expenses	<u>66,857</u>	<u>2,767,321</u>	<u>2,834,178</u>	<u>2,775,420</u>
Operating Income (Loss)	<u>8,733</u>	<u>150,197</u>	<u>158,930</u>	<u>- 109,796</u>
Non-operating Income (Expense)				
Interest Expense	-	(509,928)	(509,928)	(507,754)
Interest Income	-	129,351	129,351	166,276
Sinking Fund Income	-	54,827	54,827	94,662
Gain on Sale of Fixed Assets	-	13,162	13,162	1,149
Rent	-	9,167	9,167	3,933
Total Non-operating Income (Expense)	<u>-</u>	<u>(303,421)</u>	<u>(303,421)</u>	<u>(241,734)</u>
Net Income (Loss)	8,733	(153,224)	(144,491)	(131,938)
Retained Earnings - October 1	58,843	4,756,823	4,815,666	4,888,761
Residual Equity Transfer - Out	(51,971)	-	(51,971)	-
Retained Earnings - September 30	<u>\$ 15,605</u>	<u>\$ 4,603,599</u>	<u>\$ 4,619,204</u>	<u>\$ 4,756,823</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED SEPTEMBER 30, 1998)

	<u>Primary Government</u>		<u>Totals</u>	
	<u>Proprietary Fund Type</u>	<u>Component Unit</u>	<u>(Memorandum Only)</u>	
	<u>Internal Service</u>	<u>Water and Sewerage</u>	<u>1999</u>	<u>1998</u>
Cash Flows From Operating Activities				
Cash Received from Users	\$ 75,590	\$ 2,920,131	\$ 2,995,721	\$ 2,892,218
Cash Payments for Claims	(62,254)	-	(62,254)	-
Cash Payments for Goods and Services	-	(1,488,770)	(1,488,770)	(1,530,478)
Cash Payments to Employees for Services	-	(519,449)	(519,449)	(487,396)
Net Cash Provided by Operating Activities	<u>13,336</u>	<u>911,912</u>	<u>925,248</u>	<u>874,344</u>
Cash Flows From Non-capital Financing Activities				
Transfers out to other funds	(51,971)	-	(51,971)	-
Cash Flows From Capital and Related Financial Activities				
Payment for Capital Acquisitions	-	(624,374)	(624,374)	(893,780)
Proceeds from Special Local Option Sales Tax	-	-	-	118,535
Principal Payments - Notes	-	-	-	(904,380)
Receipts to Construct Capital Assets	-	110,286	110,286	87,186
Payment to Bond Sinking Fund	-	(470,171)	(470,171)	(1,000,000)
Principal Received - Notes	-	2,347	2,347	2,167
Proceeds From Rental Income	-	9,167	9,167	3,933
Principal Received - Leases	-	28,458	28,458	25,748
Interest Received - Notes	-	3,653	3,653	3,833
Interest Received - Leases	-	38,365	38,365	39,834
Proceeds From Sale of Equipment	-	13,162	13,162	2,983
Interest Paid - Notes	-	-	-	(26,660)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>-</u>	<u>(889,107)</u>	<u>(889,107)</u>	<u>(2,540,601)</u>
Cash Flows From Investing Activities				
Interest on Investments	-	72,883	72,883	86,955
Purchase of Certificates of Deposit	-	(613,157)	(613,157)	(111,594)
Maturities of Certificates of Deposits	-	650,430	650,430	300,000
Maturities of Investments	-	-	-	-
Net Cash Provided by (Used In) Investing Activities	<u>-</u>	<u>110,156</u>	<u>110,156</u>	<u>275,361</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(38,635)	132,961	94,326	(1,390,896)
Cash and Cash Equivalents - Beginning (Including \$192,535 in Restricted Cash)	<u>58,843</u>	<u>760,016</u>	<u>818,859</u>	<u>2,150,912</u>
Cash and Cash Equivalents - Ending (Including \$ <u>20,208</u> in Restricted Cash)	<u>\$ 20,208</u>	<u>\$ 892,977</u>	<u>\$ 913,185</u>	<u>\$ 760,016</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

WALKER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS

Exhibit 5

ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED SEPTEMBER 30, 1998)

(Continued)

	Primary Government		Totals	
	Proprietary Fund Type	Component Unit	(Memorandum Only)	
	Internal Service	Water and Sewerage	1999	1998
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 8,733	\$ 150,198	\$ 158,931	\$ 109,796
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	-	782,791	782,791	752,960
Provision for Uncollectible Accounts	-	4,463	4,463	4,716
(Increase) Decrease in Assets:				
Accounts Receivables	-	(25,225)	(25,225)	(19,914)
Inventory	-	(9,685)	(9,685)	(3,103)
Prepaid Expenses	-	(1,411)	(1,411)	(1,520)
Due From Other Governments	-	13,312	13,312	13,183
Increase (Decrease) in Liabilities:				
Accounts Payables	4,603	(21,035)	(16,432)	3,358
Accrued Expenses	-	3,978	3,978	1,135
Customer Deposits	-	14,526	14,526	13,733
	<u>\$ 13,336</u>	<u>\$ 911,912</u>	<u>\$ 925,248</u>	<u>\$ 874,344</u>
Non-cash Investing, Capital and Financial Activities				
Funds Used to Pay Principal on Revenue Bonds	-	345,000	345,000	330,000
Funds Used to Pay Interest on Revenue Bonds	-	471,756	471,756	487,266
Funds Used to Pay Trustee Fees	-	-	-	1,597
Bond Fund Earnings	-	93,444	93,444	56,736
Capitalized Interest	-	-	-	50,430

The accompanying notes are an integral part of this financial statement.

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

The accounting methods and procedures adopted by Walker County, Georgia, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of Walker County's General Purpose Financial Statements.

Note - 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Walker County, Georgia was established under the laws of the State of Georgia and operates under an elected Sole Commissioner form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Walker County (the primary government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County.

Component unit: In conformity with generally accepted accounting principles, the financial statements of the component unit have been included in the financial reporting entity as a blended component unit.

Discretely presented component unit: The Walker County Water and Sewerage Authority, an entity legally separate from the County, is governed by a five-member board appointed by the County Commissioner. For financial reporting purposes, the Water and Sewerage Authority is reported as if it were part of the County's operations because its purpose is to provide water and sewerage services to the citizens of the County. Complete financial Statements of the Authority can be obtained from their office: Box 248, Flintstone, Georgia 30725.

B. Accounting Policies

Basis of presentation - Fund accounting: The accounts of Walker County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The County has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

The funds are grouped into three fund types and five generic funds as described below:

Governmental Fund types: These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund: This fund is established to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established

Debt Service Funds: These funds are established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds.

Capital Projects Funds: These funds are established to account for major capital expenditures not financed by Enterprise Funds.

Proprietary Fund Types: These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds.

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

Enterprise Funds: These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types: These funds account for assets held by the County as a trustee or agent for individuals, private organizations, and other units of governments. These funds are as follows:

Agency Funds: These funds are used to account for funds that are held in escrow for other parties.

Account Groups: In addition to the three broad types of governmental funds, the County also maintains two account groups as described below:

General Fixed Assets Account Group: This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Funds.

General Long-Term Debt Account Group: This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. Basis of Accounting and Measurement Focus

The basis of accounting determines when transactions and economic events are reflected in financial statements, and measurement focus identifies which transactions and events should be recorded.

Governmental funds types and Agency Funds use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus). Under the modified accrual basis of accounting, revenues are recorded when they are measurable and available (often referred to as *susceptible to accrual*). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The County considers revenues to be available if they are expected to be collected within 60 days of the year end. Generally tax revenues (including taxpayer-assessed taxes), fees and nontax revenues are recognized when received. Grants, entitlements, and shared revenues are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Property tax revenues are recognized when they are levied, with proper allowances made for estimated uncollectible accounts and delinquent accounts. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except unmatured interest on general long-term debt is recorded when due.

Proprietary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred (flow of economic resources measurement focus). Under this basis of accounting and measurement focus, the County applies (a) all GASB pronouncements and (b) FASB Statements and Interpretations, APB Opinions, and Accounts Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

D. Budgetary Data

The County Commissioner prepares a proposed budget for the upcoming fiscal year in September of the preceding fiscal year and makes it available for public inspection at the county courthouse. After a public hearing on the proposed budget is held, the proposed budget is adopted by resolution of the Commissioner. The budget amounts for the fiscal year may be amended by the County Commissioner to actual operating figures. Walker County prepares a budget for all governmental funds. For each of the funds for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

generally accepted accounting principles. For this reason, there is no common basis for preparing a reconciliation between budgeted and actual amounts. At the fund level, actual expenditures cannot exceed budgeted appropriations; however, with proper approval by the Commissioner, budgetary transfers between departments can be made. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments. The legal level of budgeting control is at the department level or elected office. All appropriations lapse at the end of each fiscal year.

E. Cash

The County pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in certificates of deposits with various maturities or transferred to interest-bearing savings accounts. Deposits in excess of federally insured amounts are required to be collateralized by securities of the depository bank.

F. Investments

Investments are valued at amortized cost in the proprietary fund since it is the County's policy to hold such securities until they mature. The County has no investments which it reports at amortized costs.

The County is permitted under state law to invest in obligations of Georgia or any other state, 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 bankers' acceptances, the local Government Investment Pool established by state law, repurchase agreements, and obligations of other political subdivisions of Georgia.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Water and Sewerage Authority Fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year. The Water and Sewerage Authority purchased the sewer collection from the County of Chickamauga, Georgia, and then leased it back to County under a direct financing lease which expires in 2014. The principal portion of this capital lease receivable is shown on the balance sheet under current assets and other assets.

H. Due To And Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

I. Interest Receivable

Interest on investments and certain receivables is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

J. Inventories

For all governmental funds are valued at average cost. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of their respective funds. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

they are a component of reported assets of proprietary funds which are valued at the lower of cost (first-in, first-out) or market.

K. Other Assets

Other assets held are recorded and accounted for at cost.

L. Restricted Assets

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt.

M. Property, Plant, And Equipment

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, sidewalks, and bridges, are not capitalized. Beginning in 1984, Property, plant, and equipment acquired or constructed for general governmental operations is recorded as an expenditure in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group. Prior to 1984, assets purchased were recorded as expenditures in the governmental funds and the assets were not capitalized. Therefore, the general fixed asset account group includes only assets purchased after December 31, 1983. The effects of this departure on financial position is not reasonably determinable. Donated assets are reported at their estimated fair value on the date of acquisition.

N. Advances

Advances to and advances from governmental funds represent noncurrent portions of interfund receivables and payables. The governmental fund making the advance establishes a fund balance reserve equal to the amount of the advance.

O. Long-term Debt

Long-term obligations of the County are reported in the General Long-Term Debt Account Group. Long-term liabilities for certain general obligation bonds, revenue bonds, and mortgage bonds are reported in the appropriate Enterprise Fund. For governmental fund types, bond premiums and discounts, as well as issuance cost, are recognized during the current period.

P. Pensions

The provision for pension cost is recorded on an accrual basis, and the County's policy is to fund pension costs as they accrue.

Q. Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. Reserved retained earnings for proprietary funds represent the net assets that have been legally identified for specific purposes.

R. Revenues and Expenditures/Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and nontax revenues are recognized when received. Grants from other

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

S. Property Tax Revenues

Property taxes are levied on October 20 based on the assessed value of property as listed on the previous January 1. Assessed values are an approximation of market value. A valuation of all real property must be made every seven years. The last valuation date was January 1, 1998. Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available. Proper allowances are made for estimated uncollectible and delinquent accounts.

T. Vacation, Sick Leave, and Other Compensated Absences

The County allows employees sick leave up to a maximum of ten days per year and funeral leave for immediate family members up to three days per year. These absences cannot be carried over by the employee and can only be used for their designated purpose. Thus, no liability is required for sick leave or funeral leave. Earned vacation time is required to be used by the end of each calendar year with no carryover to the next year. Thus, the liability for accrued vacation leave is all to be paid from current resources.

U. Memorandum Only - Total Columns

The Combined Financial Statements include total columns that are described as memoranda only. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of each financial statement.

V. Bond Discounts/Issuance Costs

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges. Bond discounts and issuance costs for the General Fund are expensed as part of the construction cost for the current year.

Note – 2. SPECIAL PURPOSE LOCAL OPTION SALES TAX

In March 1998, Walker County voters passed a referendum on the question of "yes/no shall a special one percent sales and use tax be imposed in Walker County for a period of time not to exceed twenty calendar quarters or until there is collected net proceeds of \$25,000,000, for various capital outlay purpose." Actual collection of the tax began October 1998. The County's share of this amount is projected to be \$18,750,000 or 75%. The County is using the proceeds for Water and Sewer, Landfill, Recreation, Courthouse Renovation and various other capital purposes.

Note – 3. CASH

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

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

Note – 4. PROPERTY TAXES

Walker County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. The following are normal dates applicable to property taxes:

Lien date ✓	January 1
Levy date ✓	October 20
Due date ✓	December 20

All property taxes are recognized in compliance with National Council on Governmental Accounting Interpretation No. 3 (Revenue Recognition—Property Taxes), which states that such revenue should be recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

Property taxes receivable as of September 30, 1999, within the County's Agency Fund are composed of the following:

<u>Year of Levy :</u>	
1998	\$ 1,233,697
1997	270,338
1996	150,832
1995	36,252
Before 1995	<u>219,606</u>
Total property taxes receivable	1,910,725
Less allowance for uncollectibles	<u>(152,768)</u>
	<u>\$ 1,757,957</u> ✓

Note – 5. CASH AND INVESTMENTS

Primary Government:

At year-end, the book balance of the County's deposits was \$10,733,921 and the bank balance was \$11,379,721. Of the bank balance, \$517,646 was covered by federal depository insurance and \$11,336,347 by collateral held by the County's agent in the County's name. The balance was covered by collateral held in the pledging financial institution's trust department in a pooled collateral account specifically pledged to the County. This represents a category 2 level of risk.

Component Units:

Walker County Water and Sewerage Authority:

The Authority's cash and cash equivalents are considered to be demand deposits.

Each fund's portion of cash is displayed on the balance sheet as "Cash" or "Restricted Cash" under each fund's caption. State statues authorize the Authority to invest its funds. In selecting among avenues of investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

1. Obligations issued by the State of Georgia or by other states
2. Obligations issued by the United States government
3. Obligations fully insured or guaranteed by the United States government or a United States government agency
4. Obligations of any corporation of the United States government

** Does not agree w/ Bal. Sheet*

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

- 5. Prime banker's acceptances
- 6. The Local Government Investment Pool administered by the State of Georgia, Office of Treasury and Fiscal Services
- 7. Repurchase agreements
- 8. Obligations of other political subdivisions of the State of Georgia

The carrying amount of the Authority's deposits and short-term investments with financial institutions was \$2,009,508 and the bank balance was \$2,087,208. The bank balance is categorized as follows:

Amount insured by the FDIC	\$ 417,115
Amount collateralized by U.S. Treasury Securities pledged to the Authority but not in the Authority's name	<u>1,670,093</u>
Total bank balance	<u>\$ 2,087,208</u>

Bal. Sheet
2,521,246
- 822,299

3,349,532 ✓
var. 1,340,324

Note - 6. DUE TO/FROM OTHER FUNDS

As of September 30, 1999, interfund receivables and payables resulting from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,664,252 ✓	\$ 168,963 ✓
Agency Funds:		
Tax Commissioner	0	293,531
Clerk of Courts	27,478 ✓	0
Probate Judge	0	3,214
Magistrate Court	0	10,421
Special Revenue Funds:		
Fire Protection		106,558 ✓
Capital Projects		
Bond Projects	141,485 ✓	
SPLOST Project	<u>0</u>	<u>1,250,528</u> ✓
TOTAL	<u>\$ 1,833,215</u>	<u>\$ 1,833,215</u>

307,116 ✓
var. 317

Note - 7. FIXED ASSETS

Activity in the general fixed assets account group for the fiscal year ended September 30, 1999, was as follows:

Summary of Changes in the General Fixed Asset Account Group During the Fiscal Year

	Balance <u>October 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>September 30, 1999</u>
Land	\$ 590,401	\$ --	\$ --	\$ 590,401
Land Improvement	20,247	159,778	--	180,025
Building	9,767,944	--	--	9,767,944
Building Improvements	736,392	21,654	--	758,046

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

Equipment	7,098,732	225,996	--	7,324,728
Vehicles	3,724,255	165,120	--	3,889,375
Furniture and Fixtures	131,102	719	--	131,821
Construction in Progress:				
Bond Projects	508,027	1,253,171	--	1,761,198
SPLOST Projects	1,059,442	619,877	--	1,679,319
General – Fire Dep't.	99,996	-	99,996	-
	<u>\$ 23,736,538</u>	<u>\$ 2,446,315</u>	<u>\$ 99,996</u>	<u>\$ 26,082,857</u>

**Schedule of General Fixed Assets by Source
September 30, 1999**

	Balance October 1, 1998	Additions	Deletions	Balance September 30, 1999
General Fund	\$ 16,141,667	\$ 573,267	\$ 99,996	\$ 16,614,938
SPLOST	1,059,442	619,877	--	1,679,319
Capital Leases	6,027,402	-	--	6,027,402
Bonds	508,027	1,253,171	-	1,761,198
Total General Fixed Assets	<u>\$ 23,736,538</u>	<u>\$ 2,446,315</u>	<u>\$ 99,996</u>	<u>\$ 26,082,857</u>

Component Unit – Water and Sewerage Authority

Property and Equipment consist of the following:

	1999	1998
Land	\$ 155,109	\$ 155,109
Land Improvement	38,038	38,038
Buildings	406,571	406,571
Water System	8,346,919	7,857,829
Water Treatment Plant	5,067,801	3,728,812
Industrial Water Line	339,137	339,137
Wastewater Treatment Plant	2,618,280	2,618,280
Sewerage System	15,846,602	15,235,699
Trucks and Tractors	296,975	302,685
Equipment	302,494	294,432
Office Equipment	129,957	123,354
Construction in Progress	80,788	2,023,547
	<u>33,628,671</u>	<u>33,123,493</u>
Less Accumulated Depreciation and Amortization	<u>(9,761,307)</u>	<u>(8,989,826)</u>
Total	<u>\$ 23,867,364</u>	<u>\$ 24,133,667</u>

Accounting Standards Board (FASB) Statement No. 34 (Capitalization of Interest Cost) requires that interest expenditures incurred during construction of assets be capitalized. FAS-62 (Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants) concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

related tax-exempt borrowing. During 1999, no interest costs were capitalized. Depreciation is based on the straight-line method over the estimated useful life of assets. Estimated useful lives are: Equipment 5-10 years; Buildings 25-40 years; Vehicles 4-5 years; Water & Sewer System 20-50 years.

NOTE 8. PENSION PLAN

Plan Description. Two hundred and six (222) of the County's full time employees are covered by either the Pension Plan for Employees of the Walker County Commissioner (Commissioner's Plan) or the Pension Plan for Employees of the Walker County Sheriff's Department (Sheriff's Plan). These self administered plans are single-employer, non-contributory, defined benefit plans established January 1, 1973, restated effective January 1, 1984 and amended effective July 1, 1996. Authority to establish, amend or discontinue the plans is assigned to Walker County. The plans are included in this report because the County has oversight responsibility as prescribed by the Governmental Accounting Standards Board. The plans do not issue separate financial statements but includes the financial statements and required supplementary information in the County's annual financial report. The plans provide retirement, disability and death benefits to plan members, and their beneficiaries, that have been employed full time for one year. Employees are vested after 7 years. Members may retire at age 65 with 12 years of service or at age 60 with 20 years of service. Benefits are calculated at 1.10% of five years average earnings multiplied by credited service plus 0.65% of overage compensation in excess of \$10,000 multiplied by service up to 35 years.

Funding Policy and Pension Cost. Contribution requirements are actuarially determined and may be amended by the County. The funding policy for each plan is to make annual contributions at least equal to the minimum contribution required for public retirement systems under Section 47-20-10 of the Official Code of Georgia Annotated. This minimum contribution is equal to the normal cost for the year plus annual payments to amortize increases (decreases) in the unfunded actuarial accrued liability over various prescribed periods. The normal cost for the Commissioner's Plan for 1999 increased as a percentage of covered payroll over the normal cost for 1998, primarily due to unfavorable earnings and investment experience. The normal cost for the Sheriff's Plan for 1999 also increased as a percentage of payroll over the 1998 normal cost, primarily due to unfavorable earnings and investment experience.

The contributions to the plans during the year ended December 31, 1998 was \$532,518 and was made in accordance with contribution requirements determined by an actuarial valuation as of January 1, 1999. The County's current-year covered payroll and its total current-year payroll for all employees amount to \$5,042,778 based upon the actuarial valuation of January 1, 1999.

Summary of Significant Account Policies. The plans financial statements are prepared on the accrual basis of accounting. Contributions from the County are recognized as revenue in the period in which the employees provide services to the County. Investment income is recognized as earned by the plan. The net appreciation (depreciation) in the fair value of investments held by the plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the balance sheet. All funds are invested in universal life policies and are valued at fair value. There are no investments in, loans to, or leases with parties related to the pension plan.

Funded Status. GASB No. 27 requires disclosure of the County's annual pension cost, percentage of annual percentage cost contributed and net pension obligation for the most recent three years

Commissioners Plan:

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Employer Annual Pension Cost (APC)</u>	<u>Annual Contribution</u>	<u>Percentage Of APC Contributed</u>	<u>Net (EOY) Pension Obligation</u>
December 31, 1996	\$ 196,768	\$ 249,507	100%	\$ 0

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

December 31, 1997	255,529	281,000	109%	0
December 31, 1998	276,979	353,317	128%	0

Sheriff's Plan:

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Employer Annual Pension Cost (APC)</u>	<u>Annual Contribution</u>	<u>Percentage Of APC Contributed</u>	<u>Net (EOY) Pension Obligation</u>
December 31, 1996	\$ 143,583	\$ 165,334	115%	\$ 0
December 31, 1997	137,901	137,901	100%	0
December 31, 1998	163,714	179,201	109%	0

Commissioner's Plan:

Schedule of Funding Progress

Actuarial Valuation For Plan Year Beginning 1/1	(1) Actuarial Value Of Assets	(2) Actuarial Accrued Liability Frozen Entry Age Cost Method	(3) Unfunded Actuarial Accrued Liability (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as % Of Covered Payroll (3) / (5)
1995	\$ 913,232	\$ 1,656,691	\$ (743,459)	55.1%	\$ 1,868,207	39.8%
1996	1,183,792	1,845,366	(661,574)	64.1%	2,155,245	30.7%
1997	974,067	1,610,015	(635,948)	60.5%	2,404,903	26.4%
1998	902,738	1,543,829	(641,091)	58.5%	2,532,992	25.3%
1999	1,260,626	1,827,175	(566,549)	69.0%	3,013,840	18.8%

Sheriff's Plan:

Schedule of Funding Progress

Actuarial Valuation For Plan Year Beginning 1/1	(1) Actuarial Value Of Assets	(2) Actuarial Accrued Liability Frozen Entry Age Cost Method	(3) Unfunded Actuarial Accrued Liability (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as % Of Covered Payroll (3) / (5)
1995	\$ 361,886	\$ 437,828	\$ (75,942)	82.7%	\$ 1,774,033	4.3%
1996	526,020	569,054	(43,034)	92.4%	2,005,403	2.1%
1997	684,711	719,061	(34,350)	95.2%	2,079,052	1.7%
1998	840,035	889,494	(49,459)	94.4%	2,114,085	2.3%
1999	1,048,783	4,075,646	(26,863)	97.5%	2,028,938	1.3%

Significant Actuarial Assumptions. The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution to the plans meet the Actuarial Standard of Practice No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

The significant actuarial assumptions used in the current valuation are:

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

Rate of return on investment	7.0% per year
Projected salary Increases	5.0% per year
Actuarial Methods:	
Amortization method	Level dollar
Asset valuation method	Market Value
Valuation cost method	Frozen Entry Age with Normal Cost expressed as a Percentage of covered payroll.

Actuarial assumptions are the same as those used in the preceding year.

Plan membership data: As of January 1, 1999, the current plan membership includes the following categories of participants:

Commissioner's Plan:

- Retirees and beneficiaries currently receiving benefits	1
- Terminated employees entitled to benefits but not yet receiving them	7
- Active participants	<u>127</u>
- Total	<u>135</u>

Sheriff's Plan:

- Retirees and beneficiaries currently receiving benefits	2
- Terminated employees entitled to benefits but not yet receiving them	5
- Active participants	<u>80</u>
- Total	<u>87</u>

NOTE - 9. LEASE OBLIGATIONS

Operating Lease: The County has numerous but no significant operating lease obligations. Generally the leases are for small items of equipment.

Capital Leases: The County has four leases through capital lease arrangements in the general fund.

The assets and obligations for these agreements of the general fund are recorded in the general fixed assets accounts group and the general long term debt account groups, respectively. The assets acquired during the current year through capital leases are as follows:

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

<u>Date</u>	<u>Asset</u>	<u>To General Fixed Asset</u>
None	None	None

The future minimum lease obligations as of September 30, 1999, were as follows:

<u>Year Ending September 30</u>	<u>To General Long Term Debt</u>				
	<u>Vehicles</u>	<u>Fire Trucks</u>	<u>Buildings</u>	<u>Grader</u>	<u>Total</u>
2000	\$ 61,432	\$ 287,271	\$ 309,671	\$ 16,686	\$ 675,060
2001	-0-	287,271	319,381	16,686	623,338
2002	-0-	287,271	329,383	16,686	633,340
2003	-0-	287,271	339,684	16,686	643,641
2004	-0-	287,271	357,295	15,296	659,862
Thereafter	-0-	861,761	2,770,138	-0-	3,631,899
Total Minimum Lease	61,432	2,298,116	4,425,552	82,040	6,867,140
Less: Interest	(3,230)	(454,504)	(1,205,622)	(10,643)	(1,673,999)
 Present Value of Minimum Lease Payments	 \$ 58,202	 \$ 1,843,612	 \$ 3,219,930	 \$ 71,397	 \$ 5,193,141

Note - 10. LONG TERM OBLIGATIONS

Bonds payable at September 30, 1999 are comprised of the following issues:

General Obligation Bonds:

\$4,800,000 - 1998 General obligation bonds due in annual installments of \$900,000 to \$1,910,000 through August 1, 2001, interest at 3.75% to 4.10%.	<u>09/30/99</u> \$ 2,890,000 ✓
\$4,900,000 - 1999 General obligation bonds due in annual installments of \$790,000 to \$2,100,000 through August 1, 2003, interest at 4.10% to 4.30%.	4,900,000 ✓
	<u>\$ 7,790,000</u> ✓

The annual requirement to amortize all bonded indebtedness outstanding as of September 30, 1999, including interest payable of \$835,865, are as follows:

<u>September 30</u>	<u>General Obligation Bonds</u>		<u>Interest Combined</u>	<u>Total</u>
	<u>Principal 1998 Bonds</u>	<u>Principal 1999 Bonds</u>		
2000	\$ 1,980,000 ✓	\$ -0-	\$ 324,030	\$ 2,304,030
2001	910,000 ✓	790,000	245,810	1,945,810
2002	-0-	2,010,000 ✓	175,725	2,185,725
2003	-0-	2,100,000	90,300	2,190,300

There are a number of limitations and restrictions contained in the bond issue. The County is in compliance with all significant limitations and restrictions.

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

There are a number of limitations and restrictions contained in the bond issue. The County is in compliance with all significant limitations and restrictions.

General Long Term Obligations:

	Balance September 30, <u>1998</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>1999</u>
Capital Leases	\$ 5,360,140	\$ -0-	\$ 166,999	\$ 5,193,141 ✓
Landfill Closure and Post closure	2,597,849 ✓	-0-	133,681	2,464,168 ✓
Bonds	<u>4,800,000</u>	<u>4,900,000</u>	<u>1,910,000</u>	<u>7,790,000</u> ✓
	<u>\$ 12,757,989</u> ✓	<u>\$ 4,900,000</u>	<u>\$ 2,210,680</u>	<u>\$ 15,447,309</u> ✓
	<i>13027989</i> var. 270,000 Landfill Closure and Post Closure Care Cost			

Walker County owns and operates a landfill site located east of Lafayette. The landfill has been operated from the present site since 1973. State and federal laws and regulations will require the Government to close the landfill once its capacity is reached and to monitor and maintain the site for thirty subsequent years. The Government recognizes a portion of closure and post closure care cost in each operating period even though actual payouts will not occur until the landfill capacity used as of the balance sheet date. The original landfill site, approximately 118 acres (47 for existing landfill and 55 for the proposed expansion), was projected to reach capacity in 1996. A vertical expansion was approved until June 1998. Walker County has planned an expansion of approximately 55 acres to the existing landfill. The new expansion is designed to meet the Federal Subtitle D Standards. The new expansion should be available for operation in late 1999 or early 2000. Financing for expansion will be provided by local funds and Special Local Option Sales Tax.

On August 1, 1985, Walker County entered into a contract with the Hospital Authority of Walker, Dade, and Catoosa Counties which provides that the counties pay to the Authority from time to time amounts sufficient to pay the principal of, redemption premium (if any) and interest on the Authority's Series 1985 Certificates to the extent that the Gross Revenues of the Authority are insufficient to provide for such payment. This contract was subsequently amended on July 16, 1991 due to the defeasance of the Series 1991A and 1991B Certificates. The amendment make the provisions of the contract apply to the 1991 issues. As of September 30, 1999, the counties have not been required to pay any monies to the Hospital Authority.

**Component Unit
Water and Sewerage Authority**

Revenue Bonds:

\$9,500,000 - Walker County Water and Sewerage Authority Revenue Bonds Series 1994 due in annual installments of \$225,000 to \$770,000 through April, 2014 interest rate varies from 3.60% to 6.125%.	\$ 7,985,000
Less - Deferred Bond Refunding Costs	<u>(143,423)</u>
Total	<u>\$ 7,841,577</u> ✓

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

The following is a summary of changes in long-term obligations:

	<u>Bonds</u>	<u>Notes</u>	<u>Total</u>
Debt outstanding – Beginning	\$ 8,168,469 ✓	\$ 0	\$ 8,168,469
Retirements	(345,000)	0	(345,000)
Amortized Deferred Bond Refund Cost	<u>18,108</u>	<u>0</u>	<u>18,108</u>
Debt Outstanding – Ending	<u>\$ 7,841,577</u> ✓	<u>\$ -0-</u>	<u>\$ 7,841,577</u>
Current Portion	\$ 360,000		
Long Term Portion	<u>7,625,000</u>		
	<u>\$ 7,985,000</u> ✓		

Presented below is a summary of debt service requirements to maturity by years:

<u>Revenue Bonds</u>			
<u>Date of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 360,000	\$ 455,024	\$ 815,024
2001	380,000	437,024	817,024
2002	395,000	417,644	812,644
2003	415,000	397,499	812,499
2004	440,000	375,919	815,919
2005-2014	<u>5,995,000</u>	<u>2,147,633</u>	<u>8,142,633</u>
	<u>\$ 7,985,000</u> ✓	<u>\$ 4,230,743</u>	<u>\$ 12,215,743</u>

Outstanding revenue bonds are secured by a first lien on net revenues earned by the Authority. The Authority is required to (1) operate, maintain and repair the system in accordance with sound business practice (2) produce an amount equal to 120% of the Debt Service Requirements for each sinking fund year (3) create and maintain in the Debt Service Reserve Fund an amount equal to the lesser of: (a) 10% of the stated principal amount of the Bonds, (b) 125% of the average annual principal and interest requirements on the Bonds, or (c) the maximum annual principal and interest requirements on the Bonds, and (4) make the payments then required to be made into the Renewal and Extension Fund.

In 1978, the Authority defeased its Series 1977 Revenue Bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. At September 30, 1999 and 1998, \$2,405,000 and \$2,630,000 of bonds outstanding are considered defeased.

NOTE – 11. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of September 30, 1999, the county had the following commitments with respect to unfinished capital projects:

<u>Construction Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date Of Completion</u>
SPLOST Funds:		
Courthouse Renovation	\$ 900,000	2000
Landfill Expansion	6,000,000	2001

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

NOTE – 12. FUND EQUITY – FUND BALANCES.

Reservations of fund equity are created to either (1) satisfy legal covenants that require that a portion of the fund equity be segregated or (2) identify the portion of the fund equity that is not available for future expenditures. Specific reservations of the fund equity accounts are summarized below:

General Fund Balance

Reserved for Landfill This reserve was created to represent the portion of the fund balance that is anticipated to be used in the upcoming year and during 1999 all of the reserves were met in current closure expenditures.

DFACS Building Reserve: This reserve represents money received from the Department of Family and Children Services for future improvements.

Trust Fund Balance

Reserve for Employees Retirement This reserve was created to represent the portion that is not available for normal operations.

Reserve for Capital Projects

Reserve for Capital Projects This reserve was created in conjunction with the Special Purpose Local Option Sales Tax and Bond proceeds that are restricted for construction.

Reserved Portion All Funds

	<u>General Fund</u>	<u>Capital</u>	<u>Trust</u>
Balance September 30, 1998	\$ 481,701	\$ 7,502,316	\$ 1,658,778
Increase (Decrease)	<u>(341,901)</u>	<u>3,846,735</u>	<u>650,631</u>
Balance September 30, 1999	<u>\$ 139,800</u>	<u>\$ 11,349,051</u>	<u>\$ 2,309,409</u>

NOTE-13 RISK MANAGEMENT

Walker County, Georgia is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Being unable to obtain general liability and workers' compensation insurance at a cost it considered to be economically justifiable, the County joined together with other counties in the state in participation in the Association of County Commissioners of Georgia – Inter local Risk Management Agency and the Group Self-Insured Worker's Compensation Fund. These are public entity risk pools currently operating as a common risk management and insurance program for many of the counties in the State. The County pays an annual premium to the funds for general liability and workers' compensation insurance coverage. The agreement between the members of the public entity risk pools provides that members may be required to pay additional assessments as shall be established by the Board of the pool. However, no additional assessments have been required of the members since formation of the pools.

The County continues to carry commercial insurance for employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE – 14. CONTINGENT LIABILITES

On August 1, 1985 Walker County entered into a contract with the Hospital Authority of Catoosa, Dade and Catoosa Counties (the Authority) to assure that medical care and hospitalization is provided to the County's indigent sick persons. Catoosa County and Dade County are also parties to the same contract.

The County has guaranteed payment of the sinking fund requirements for principal and interest on the Authority's Revenue Anticipation Certificates, Series 1991A, in the aggregate amount of \$43,975.

**WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999**

The County has guaranteed payment of the sinking fund requirements for principal and interest on the Authority's Revenue Anticipation Certificates, Series 1991A, in the aggregate amount of \$43,975.

The County may also be required to make additional payments to the Authority if the cost of providing indigent care exceeds one and one-half percent of the Authority's gross patient service revenue. While the liability of the three counties is joint and several with respect to the Authority's debt service, the County's ultimate liability is effectively limited to its pro rate share based on the ratio of its preceding year's tax digest to the total tax digests of the three counties.

NOTE - 15. CLAIMS AND JUDGMENTS

The county participates in a number of federal, state, and county programs that are full or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of September 30, 1999, significant amounts of grant expenditures have not been audited, but the County believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the County.

NOTE- 16. SUBSEQUENT EVENTS

None noted.

NOTE- 17. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the following General Fund departments:

Unallocated	\$	2,293
Sheriff		826
Other Programs and Services		3,859

*SP. Res Fund?
pg 38*

The General government approved several unanticipated expenditures and received grants in excess of \$700,000 and were not included in any of the two amendments to the budget made during the year. The county received \$2,750,607 more in revenues than budgeted.

NOTE- 18. RESTATEMENTS

After the close of the previous fiscal year, September 30, 1998, reporting errors were discovered and/or corrections made. The Sheriff opened an off-line cash account for the General Fund, the Capital and Pension Trust funds were adjusted for prior years unrecorded activity.

Accordingly, the effects of the above mentioned errors and additions are as follows:

	<u>General Fund</u>	<u>Capital Project</u>	<u>Pension Trust Fund</u>
1998 Fund Balance as Previously Reported	\$ 4,887,544	\$ 7,502,316	\$ 1,658,778
Information Unavailable Prior Year	0	0	55,699
Reporting Errors	4,254	(74,626)	0
Beginning Fund Balance Restated	<u>\$ 4,891,798</u>	<u>\$ 7,427,690</u>	<u>\$ 1,714,477</u>

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE- 19. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

As of June 1998 the County ceased to accept solid waste at their landfill. The solid waste is accepted at dumpster sites and transported to a location out of the County by an outside contractor. In order to close the landfill the County incurred cost in 1997 1998, and 1999 and will continue to incur costs in 2000 and beyond to adequately cover existing waste according to EPD requirements. In addition, the County will be required to monitor various wells for a period of time. Since the landfill has been closed, no additional capacity will be used. Management estimates that the county will incur costs of approximately \$3,053,000, per engineering reports, in cost of closure and postclosure costs to complete the closure of its solid waste landfill and to monitor and maintain the landfill site in future years. However, management's estimate of postclosure costs is contingent upon its ability to satisfy EPD requirements, and costs could be significantly higher if full compliance is not achieved, and possibly higher due to inflation, changes in technology, or changer in landfill laws and regulations. These costs will be met with future County revenues. At the present time there is \$139,800 specifically restricted for this purpose. The landfill capacity used to date for the "old" landfill is at 100%. The County should have the new Marble Top Road – site number two landfill permitted to open in early May, 2000.

NOTE- 20. JOINT VENTURE

Walker County is a member of the Coosa Valley Regional Development Center (RDC). The RDC was created under the laws of the State of Georgia and cities and counties in the area served by the RDC are required to be members. The membership of the RDC includes 10 counties and 35 municipalities. The County has no equity interest in the RDC nor does the County materially contribute to the continued existence of the RDC. The Official Code of Georgia Annotated Section 50-8-39.1 states that in the event the RDC ceases operation, the membership can be assessed for any debt or obligation of the RDC. Separate financial statements may be obtained from: Coosa Valley Regional Development Center, P.O. Box 1793, Rome, Georgia 30162.

GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

WALKER COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 1999 AND 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash and cash equivalents	\$ 1,671,547	\$ 3,110,254
Accrued interest	23,559	21,634
Due from other governments	2,229,576	2,272,451
Due from other funds	1,664,252	402,118
Taxes receivable	30,319	47,517
Other receivable - net	<u>628,719</u>	<u>328,272</u>
 Total assets	 <u>\$ 6,247,972</u>	 <u>\$ 6,182,246</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 949,462	\$ 848,261
Due to other governments	91,950	5,000
Due to other funds	168,963	-
Deferred revenue	<u>6,521</u>	<u>441,442</u>
 Total liabilities	 <u>1,216,896</u>	 <u>1,294,703</u>
Fund balances:		
Reserved for landfill closure and postclosure care costs	139,800	481,701
Unreserved, undesignated	<u>4,891,276</u>	<u>4,405,842</u>
 Total fund balances	 <u>5,031,076</u>	 <u>4,887,543</u>
 Total liabilities and fund balances	 <u>\$ 6,247,972</u>	 <u>\$ 6,182,246</u>

The accompanying notes are an integral part of this statement.

Walker County, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
REVENUE		
Property Taxes	\$ 3,792,582	\$ 3,505,377
Other Taxes	7,348,834	5,872,132
Licenses and Permits	85,492	78,173
Charges for Services	1,571,501	3,324,443
Intergovernmental Revenue	1,524,466	984,933
Fees From County Officials	1,337,326	1,079,380
Interest Earned	118,226	202,682
Other Revenues	524,283	726,993
Total Revenues	<u>16,302,710</u>	<u>15,774,113</u>
EXPENDITURES		
General Government	2,805,036	2,000,616
Judicial	1,830,760	1,705,075
Sheriff	3,364,881	3,305,224
Public Safety	204,722	1,045,990
Public Works	4,324,367	3,674,829
Culture and Recreation	113,482	99,975
Health and Welfare	595,409	585,983
Unallocated Expenditures	1,207,643	1,351,662
Other Programs	630,361	645,890
Capital Expenditures	469,132	778,132
Debt Service:		
Principal	254,495	434,251
Interest	195,615	295,345
Total Expenditures	<u>15,995,903</u>	<u>15,922,972</u>
Excess (deficiency) of Revenues over Expenditures	<u>306,807</u>	<u>(148,859)</u>
Other Financing Sources (uses):		
Operating transfer - out	(219,933)	-
Proceeds from Capital Lease	433	280,877
Total Other Financing Sources (uses)	<u>(219,500)</u>	<u>280,877</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>87,307</u>	<u>132,018</u>
Fund Balance - October 1	4,887,544	4,931,509
Prior Period Adjustment	4,254	(175,983)
Fund Balance as Restated	4,891,798	4,755,526
Residual Equity Transfer-in	51,971	-
Fund Balance - September 30	<u>\$ 5,031,076</u>	<u>\$ 4,887,544</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
TAXES			
Taxes Collected	\$ 3,200,000	\$ 3,054,453	\$ (145,547)
Tax Comm-Commissions	270,000	283,836	13,836
Vehicle Taxes	451,000	451,749	749
Timber Taxes	6,400	2,544	(3,856)
	<u>3,927,400</u>	<u>3,792,582</u>	<u>(134,818)</u>
OTHER TAXES			
Local Option Sales Tax	4,560,700	4,652,677	91,977
Cable Franchise Tax	117,000	129,189	12,189
Develop Auth-Lieu of Tax	230,311	331,782	101,471
Insurance Premium Tax	1,625,000	1,629,554	4,554
Real Estate Transfer Tax	28,737	40,162	11,425
Intangible Taxes	215,000	239,217	24,217
Beer & Wine Tax Receipts	314,000	326,253	12,253
Other	3,475	-	(3,475)
	<u>7,094,223</u>	<u>7,348,834</u>	<u>254,611</u>
LICENSES AND PERMITS			
Occupational Tax	32,581	39,743	7,162
Building Permits	18,000	15,250	(2,750)
Mobile Home Permits	9,000	8,425	(575)
Beer & Wine Licenses	3,225	11,425	8,200
Miscellaneous	8,400	10,649	2,249
	<u>71,206</u>	<u>85,492</u>	<u>14,286</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

WALKER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(Continued)	Budget	Actual	Variance Favorable (Unfavorable)
CHARGES FOR SERVICES			
Maps & Copies	\$ 4,400	\$ 4,499	\$ 99
Meals On Wheels Contract	10,300	7,719	(2,581)
Election Fees	8,156	-	(8,156)
Reimbursed DA Expenses	201,608	176,567	(25,041)
Serve Civil Process Paper	-	9,907	9,907
Rent	324,046	320,074	(3,972)
Civic Center	26,500	31,270	4,770
Animal Shelter Receipt	7,100	6,507	(593)
Landfill Receipts	1,000,000	1,010,803	10,803
Miscellaneous	46,366	4,155	(42,211)
	<u>1,628,476</u>	<u>1,571,501</u>	<u>(56,975)</u>
INTERGOVERNMENTAL			
State Grants-			
Department of Community Affairs	20,000	2,500	(17,500)
Department of Transportation	442,000	442,231	231
Food Stamp Program	22,000	1,415	(20,585)
Juvenile Court	8,500	-	(8,500)
Transit Operating	50,400	50,400	-
Georgia Emergency Management	-	46,584	46,584
	<u>542,900</u>	<u>543,130</u>	<u>230</u>
Federal Assistance -			
Community Dev. Block Grant	512,000	512,092	92
Family violence	-	-	-
DARE Grants	4,088	-	(4,088)
COPS Grants	132,436	17,513	(114,923)
Domestic violence	-	4,909	4,909
Task Force	344,000	250,739	(93,261)
Soil Conservation	13,418	6,800	(6,618)
Family Connection	50,000	47,215	(2,785)
Other	163,900	88,960	(74,940)
LLEBG	-	32,293	32,293
School Resource Grant	16,103	20,815	4,712
	<u>1,235,945</u>	<u>981,336</u>	<u>(254,609)</u>
Total Intergovernmental	<u>1,778,845</u>	<u>1,524,466</u>	<u>(254,379)</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

**WALKER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
(Continued)			
FEEES FROM COUNTY OFFICES			
Magistrate	104,820	94,192	(10,628)
Clerk of Court	861,891	1,034,114	172,223
Probate Judge	36,250	40,162	3,912
Sheriff	49,975	168,858	118,883
	<u>1,052,936</u>	<u>1,337,326</u>	<u>284,390</u>
INVESTMENT EARNINGS			
Interest	<u>275,000</u>	<u>118,226</u>	<u>(156,774)</u>
OTHER REVENUES			
Sale of Assets	7,000	8,204	1,204
Jail Improvements	65,000	102,080	37,080
Drug Awareness	16,045	25,804	9,759
Sheriff	86,320	89,604	3,284
Insurance Claims	-	41,496	41,496
Miscellaneous	29,652	257,095	227,443
	<u>204,017</u>	<u>524,283</u>	<u>320,266</u>
Total Revenues	<u>\$ 13,552,103</u>	<u>\$ 16,302,710</u>	<u>\$ 2,750,607</u>

The accompanying notes are an integral part of this financial statement.

WALKER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
CURRENT EXPENDITURES			
General Government:			
County Commissioner	\$ 753,339	\$ 753,101	\$ 238
Tax Commissioner	347,634	330,009	17,625
Tax assessors	365,604	363,335	2,269
Board of Registrars	118,742	119,494	(752)
Planning	85,529	85,507	22
Grants:			
Wallaceville Sewer Grant	520,000	518,947	1,053
Dare Grant	4,088	4,509	(421)
Task Force	478,000	477,226	774
Industrial Development	154,000	152,908	1,092
Total General Government	<u>2,826,936</u>	<u>2,805,036</u>	<u>21,900</u>
JUDICIAL			
Superior Court	282,980	282,959	21
Clerk of Court	373,125	373,416	(291)
State Court	254,564	249,183	5,381
Magistrate Court	157,736	153,807	3,929
Juvenile Court	205,905	205,022	883
Coroner	55,107	41,012	14,095
Court Reporter	43,706	44,162	(456)
Probate Court	128,475	131,001	(2,526)
Bailiff	4,954	6,047	(1,093)
District Attorney	359,103	329,451	29,652
Probation Officers	14,400	14,700	(300)
Total Judicial	<u>1,880,055</u>	<u>1,830,760</u>	<u>49,295</u>
SHERIFF	<u>3,364,841</u>	<u>3,364,881</u>	<u>(40)</u>
PUBLIC SAFETY			
County Police	150,293	128,042	22,251
Animal and Rabies Control	76,658	76,680	(22)
Total Public Safety	<u>226,951</u>	<u>204,722</u>	<u>22,229</u>
PUBLIC WORKS			
Roads and Street	2,662,694	2,657,739	4,955
Solid Waste and Landfill	1,669,311	1,666,628	2,683
Total Public Works	<u>4,332,005</u>	<u>4,324,367</u>	<u>7,638</u>

(Continued)

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

	Budget	Actual	Variance Favorable (Unfavorable)
(Continued)			
CULTURE AND RECREATION			
County agents	60,050	57,515	2,535
Civic Center	55,487	55,967	(480)
Total Culture and Recreation	<u>115,537</u>	<u>113,482</u>	<u>2,055</u>
HEALTH AND WELFARE			
Family Connection	50,000	59,565	(9,565)
County Foodstamp Program	36,650	10,556	26,094
Crime Assistance	-	35,535	(35,535)
Mosquito Control	9,685	8,605	1,080
County Health Department	255,400	276,666	(21,266)
Miscellaneous	60,400	38,190	22,210
Transportation	160,000	158,792	1,208
County Recreation Grant	10,000	7,500	2,500
General Health and Welfare Grant	163,900	-	163,900
Total Health and Welfare	<u>746,035</u>	<u>595,409</u>	<u>150,626</u>
EMPLOYEE BENEFITS			
Liability Insurance	75,000	74,714	286
Group Health	435,000	467,383	(32,383)
Life Insurance	66,000	41,123	24,877
Retirement	444,000	432,000	12,000
Disability Insurance	36,850	5,894	30,956
Dental Insurance	28,500	45,846	(17,346)
Worker's Compensation Insurance	120,000	131,049	(11,049)
Other	-	9,634	(9,634)
Total Unallocated	<u>1,205,350</u>	<u>1,207,643</u>	<u>(2,293)</u>
OTHER PROGRAMS AND SERVICES			
County Buildings	445,500	448,779	(3,279)
Records Department	56,702	57,419	(717)
Fire Protection	6,200	6,027	173
Malt Beverage Board	8,100	8,136	(36)
Library Appropriation	110,000	110,000	-
Total Other Programs and Services	<u>626,502</u>	<u>630,361</u>	<u>(3,859)</u>

(Continued)

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
(Continued)			
CAPITAL EXPENSES			
Commissioner	25,000	24,369	631
Tax Assessor	25,000	26,002	(1,002)
County Agent	1,500	-	1,500
Judicial	4,000	3,930	70
Sheriff - Operations	252,000	249,626	2,374
Sheriff - Grants	7,500	7,652	(152)
Clerk of Courts	24,600	14,413	10,187
District Attorney	6,000	-	6,000
Street and Road	75,000	75,958	(958)
Solid Waste and Landfill	-	2,682	(2,682)
Industrial Park	38,000	37,174	826
County Buildings	25,000	24,890	110
Culture and Recreation	-	2,436	(2,436)
Total Capital Expenses	<u>483,600</u>	<u>469,132</u>	<u>14,468</u>
DEBT SERVICE			
Principal	450,686	254,495	196,191
Interest	-	195,615	(195,615)
Total Debt Service	<u>450,686</u>	<u>450,110</u>	<u>576</u>
Total Expenditures	<u>\$ 16,258,498</u>	<u>\$ 15,995,903</u>	<u>\$ 262,595</u>

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUNDS

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

Emergency 911 – This fund is used to account for the fees, collected by the telephone company on behalf of the county, that are specifically restricted to providing emergency 911 services.

Fire and Rescue – This fund is used to account for fees, collected by the Tax Commissioner on behalf of the County, that are specifically restricted to providing fire and rescue services.

**WALKER COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AS OF SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR 1998)**

	Emergency 911	Fire and Rescue	Totals (Memorandum only)	
	1999	1998	1999	1998
ASSETS				
Cash	\$ -	\$ 11,609	\$ 11,609	\$ -
Due from other funds	-	-	-	-
Accounts receivable	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 11,609</u>	<u>\$ 11,609</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Due to general fund	\$ -	\$ 106,558	\$ 106,558	\$ -
Total liabilities	<u>-</u>	<u>106,558</u>	<u>106,558</u>	<u>-</u>
Fund Balance				
Unreserved	-	-	-	-
Designated for specific purposes	-	(94,949)	(94,949)	-
Total fund balance	<u>-</u>	<u>(94,949)</u>	<u>(94,949)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 11,609</u>	<u>\$ 11,609</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998)

	Emergency 911	Fire and Rescue	Totals (Memorandum only)	
			1999	1998
REVENUES:				
Fees	\$ 484,959	\$ -	\$ 484,959	\$ -
Charges for services	-	590,119	590,119	-
Interest	-	3,508	3,508	-
Miscellaneous	337	117	454	-
Total revenues	<u>485,296</u>	<u>593,744</u>	<u>1,079,040</u> ✓	<u>-</u>
EXPENDITURES:				
Public safety				
Personal services	485,443	105,818	591,261	-
Communications	44,772	19,073	63,845	-
Supplies	4,380	24,321	28,701	-
Maintenance and repairs	82,015	59,698	141,713	-
Utilities	-	40,184	40,184	-
Other	13,122	127,880	141,002	-
Capital outlays	75,497	24,448	99,945	-
Debt service:				
Principal	-	182,504	182,504	-
Interest	-	104,767	104,767	-
Total Expenditures	<u>705,229</u>	<u>688,693</u>	<u>1,393,922</u> ✓	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(219,933)	(94,949)	(314,882) ✓	-
Other Financing source:				
Operating transfer in	<u>219,933</u>	<u>-</u>	<u>219,933</u> ✓	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(94,949)	(94,949) ✓	-
Fund balance - October 1	-	-	-	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - October 1 (as restated)	-	-	-	-
Fund balance - September 30	<u>\$ -</u>	<u>\$ (94,949)</u>	<u>\$ (94,949)</u> ✓	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	Emergency 911			Fire and Rescue		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES:						
Fees	\$ 484,959	\$ 484,000	\$ 959	\$ -	\$ -	\$ -
Charges for services	-	-	-	590,119	670,000	(79,881)
Interest	-	-	-	3,508	-	3,508
Miscellaneous	337	500	(163)	117	13,000	(12,883)
	485,296	484,500	796	593,744	683,000	(89,256)
Total revenues						
EXPENDITURES:						
Public safety						
Personal services	485,443	436,507	(48,936)	105,818	89,832	(15,986)
Communications	44,772	32,000	(12,772)	19,073	7,200	(11,873)
Supplies	4,380	5,600	1,220	24,321	38,000	13,679
Maintenance and repairs	82,015	76,500	(5,515)	59,698	67,700	8,002
Utilities	-	-	-	40,184	35,000	(5,184)
Other	13,122	15,800	2,678	127,880	76,500	(51,380)
Capital outlays	75,497	83,190	7,693	24,448	25,695	1,247
Debt service:						
Principal	-	-	-	182,504	182,504	-
Interest	-	-	-	104,767	104,767	-
	705,229	649,597	(55,632)	688,693	627,198	(61,495)
Total Expenditures						
Excess (deficiency) of revenues over (under) expenditures	(219,933)	(165,097)	(54,836)	(94,949)	55,802	(150,751)
Other Financing source:						
Operating transfer in	219,933	-	219,933	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(165,097)	165,097	(94,949)	55,802	(150,751)
Fund balance - October 1	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-
Fund balance - October 1 (as restated)	-	-	-	-	-	-
Fund balance - September 30	\$ -	\$ (165,097)	\$ 165,097	\$ (94,949)	\$ 55,802	\$ (150,751)

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUNDS

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

Bond Construction Fund - This fund is used to account for the construction of numerous county projects. The advance bond issue from the 1998 SPLOST and State grant revenues are used to finance these projects.

SPLOST Construction Fund - This fund is used to account for the construction of numerous county projects. The 1993 SPLOST revenues are used to finance these projects.

WALKER COUNTY, GEORGIA
 CAPITAL PROJECTS FUND
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 1999 AND 1998

	Bond Construction	Splost Construction	Total (Memorandum Only)	
			1999	1998
Assets				
Cash and Cash Equivalents	\$ 8,638,822	\$ 2,499,914	\$ 11,138,736	\$ 7,612,241
Interest Receivable	68,829	-	68,829	-
Due from Other Funds	141,486	-	141,486	-
Total Assets	<u>\$ 8,849,137</u>	<u>\$ 2,499,914</u>	<u>\$ 11,349,051</u>	<u>\$ 7,612,241</u>
Liabilities				
Due to Other Funds	\$ -	\$ -	\$ -	\$ 109,925
Total Liabilities				<u>109,925</u>
Fund Balance				
Reserved for Completion of Projects	<u>8,849,137</u>	<u>2,499,914</u>	<u>11,349,051</u>	<u>7,502,316</u>
Total Liabilities and Fund Balance	<u>\$ 8,849,137</u>	<u>\$ 2,499,914</u>	<u>\$ 11,349,051</u>	<u>\$ 7,612,241</u>

WALKER COUNTY, GEORGIA
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1999 AND 1998

	Bond Construction	Splost Construction	Totals (Memorandum Only)	
			1999	1998
Revenues				
Splost Tax Revenue	\$ 2,317,976	\$ -	\$ 2,317,976	\$ 1,491,265
Interest Earned	371,303	60,973	432,276	209,695
Total Revenue	2,689,279	60,973	2,750,252 ✓	1,700,960
Expenditures				
Capital Outlays	742,639	627,367	1,370,006	758,255
Debt Service	1,910,000	-	1,910,000	-
Principal Retirement	393,831	-	393,831	-
Interest and Fees	5,886	168	6,054	-
Other				
Total Expenditures	3,052,356	627,535	3,679,891 ✓	758,255
Excess (deficiency) of Revenues Over Expenditures	(363,077)	(566,562)	(929,639) ✓	942,705
Other Financing Sources				
Bond Proceeds	4,851,000	-	4,851,000 ✓	4,800,000
Excess (deficiency) of Revenues and Other Sources Over Expenditures	4,487,923	(566,562)	3,921,361	5,742,705
Fund Balance - October 1	4,435,840	3,066,476	7,502,316	-
Prior Period Adjustment	(74,626)	-	(74,626)	1,759,611
Fund Balance - October 1 (as restated)	4,361,214	3,066,476	7,427,690	1,759,611
Fund Balance - September 30	\$ 8,849,137	\$ 2,499,914	\$ 11,349,051 ✓	\$ 7,502,316

**WALKER COUNTY, GEORGIA
INTERNAL SERVICE FUND
(DENTAL AND DISABILITY)
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash	\$ 20,208	\$ 58,843
Total assets	<u>\$ 20,208</u>	<u>\$ 58,843</u>
 LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable	\$ 4,603	\$ -
Equity:		
Retained earnings	<u>15,605</u>	<u>58,843</u>
Total liabilities and equity	<u>\$ 20,208</u>	<u>\$ 58,843</u>

The accompanying notes are an integral part of this statement.

INTERNAL SERVICE FUND

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

Health Insurance – This fund is used to account for contributions of the County's dental and disability insurance programs.

WALKER COUNTY, GEORGIA
INTERNAL SERVICE FUND
(DENTAL AND DISABILITY)
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
REVENUES:		
Charges for services	\$ 75,590	\$ 75,260
 OPERATING EXPENSES:		
Claims paid	<u>66,857</u>	<u>56,288</u>
Net income (loss)	8,733	18,972
Retained earnings - October 1	58,843	39,871
Residual equity transfer - out	<u>(51,971)</u>	<u>-</u>
Fund balance - September 30	<u>\$ 15,605</u>	<u>\$ 58,843</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
INTERNAL SERVICE FUND
 (DENTAL AND DISABILITY)
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 1999 AND 1998

	1999	1998
Cash Flows from operating activities		
Cash received from users	\$ 75,590	\$ 75,260
Cash paid for claims	(62,254)	(56,288)
Net Cash From Operating Activities	13,336	18,972
 Cash Flows from noncapital financing activities		
Transfers out to other funds	(51,971)	-
Net Increase (Decrease) in Cash	(38,635)	18,972
Cash Balance - January 1	58,843	39,871
Cash Balance - December 31	\$ 20,208	\$ 58,843
 Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 8,733	\$ 18,972
Adjustments to reconcile operating income to net cash provided by operating activities		
Increase (decrease) in accounts payable	4,603	-
Net cash provided by operating activities	\$ 13,336	\$ 18,972

The accompanying notes are an integral part of this statement.

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for asset held by the government as a agent for individuals, private organizations, other governments and other funds.

AGENCY FUNDS:

TAX COMMISSIONER

SUPERIOR COURT CLERK

PROBATE JUDGE

MAGISTRATE JUDGE

SPECIAL PURPOSE SALES TAX

EXPENDABLE TRUST FUNDS:

EMPLOYEE PENSION TRUST FUND

WALKER COUNTY, GEORGIA
COMBINING BALANCE SHEET - TRUST AND AGENCY FUNDS
SEPTEMBER 30, 1999 AND 1998

	AGENCY FUNDS				
	Tax Commissioner	Superior Court Clerk	Probate Judge	Magistrate Judge	Special Local Option Sales Tax
Assets					
Cash	\$ 425,592	\$ 364,473	\$ 8,030	\$ 25,040	\$ 2,652,286
Investments	-	-	-	-	-
Taxes Receivable (net of allowance for uncollectibles)	1,757,957	-	-	-	-
Due from General Fund	-	27,479	-	-	-
Total Assets	<u>\$ 2,183,549</u>	<u>\$ 391,952</u>	<u>\$ 8,030</u>	<u>\$ 25,040</u>	<u>\$ 2,652,286</u>
Liabilities					
Due to Other Governments	\$ 1,890,518	\$ -	\$ -	\$ -	\$ 2,652,286
Due to General Fund	293,031	-	3,397	10,421	-
Due to Heirs, Litigants and Others	-	391,952	4,633	14,619	-
Total Liabilities	<u>2,183,549</u>	<u>391,952</u>	<u>8,030</u>	<u>25,040</u>	<u>2,652,286</u>
Fund Balances					
Unreserved - Designated for Specific Fund Purposes	-	-	-	-	-
Reserved for Retirement Benefits	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 2,183,549</u>	<u>\$ 391,952</u>	<u>\$ 8,030</u>	<u>\$ 25,040</u>	<u>\$ 2,652,286</u>

(Continued)

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
 COMBINING BALANCE SHEET - TRUST AND AGENCY FUNDS
 SEPTEMBER 30, 1999 AND 1998

(Continued)

EXPENDABLE TRUST FUNDS	Total (Memorandum Only)	
Pension Trust Fund	1999	1998
\$ 2,309,409	\$ 5,784,830	\$ 6,049,708
-	-	1,658,778
-	1,757,957	876,628
-	27,479	-
<u>\$ 2,309,409</u>	<u>\$ 7,570,266</u>	<u>\$ 8,585,114</u>
-	-	-
-	4,542,804	\$ 5,234,532
-	306,849	292,193
-	411,204	1,399,611
<u>-</u>	<u>5,260,857</u>	<u>6,926,336</u>
-	-	-
<u>2,309,409</u>	<u>2,309,409</u>	<u>1,658,778</u>
<u>2,309,409</u>	<u>2,309,409</u>	<u>1,658,778</u>
<u>\$ 2,309,409</u>	<u>\$ 7,570,266</u>	<u>\$ 8,585,114</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, GEORGIA
TAX COMMISSIONER
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Assets				
Cash	\$ 341,124	\$ 17,006,658	\$ 16,922,190	\$ 425,592
Taxes Receivable	<u>876,628</u>	<u>1,140,292</u>	<u>258,963</u>	<u>1,757,957</u>
Total Assets	<u>\$ 1,217,752</u>	<u>\$ 18,146,950</u>	<u>\$ 17,181,153</u>	<u>\$ 2,183,549</u>
Liabilities				
Due to General Fund	\$ 151,812	\$ 3,933,800	\$ 3,792,581	\$ 293,031
Due to other Government	<u>1,065,940</u>	<u>14,297,546</u>	<u>13,472,968</u>	<u>1,890,518</u>
Total Liabilities	<u>\$ 1,217,752</u>	<u>\$ 18,231,346</u>	<u>\$ 17,265,549</u>	<u>\$ 2,183,549</u>

The accompanying notes are an integral part of these statements.

WALKER COUNTY, GEORGIA
 CLERK OF SUPERIOR COURT
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 1999

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Assets				
Cash	\$ 680,607	\$ 2,758,373	\$ 3,074,507	\$ 364,473
Due from General Fund	<u>-</u>	<u>98,430</u>	<u>70,951</u>	<u>27,479</u>
Total Assets	<u>\$ 680,607</u>	<u>\$ 2,856,803</u>	<u>\$ 3,145,458</u>	<u>\$ 391,952</u>
Liabilities				
Due to General Fund	\$ 127,122	\$ 998,841	\$ 1,125,963	\$ -
Due to Heirs, Litigants and Others	<u>553,485</u>	<u>1,857,962</u>	<u>2,019,495</u>	<u>391,952</u>
Total Liabilities	<u>\$ 680,607</u>	<u>\$ 2,856,803</u>	<u>\$ 3,145,458</u>	<u>\$ 391,952</u>

The accompanying notes are an integral part of these statements.

WALKER COUNTY, GEORGIA
 PROBATE JUDGE
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 1999

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Assets				
Cash	\$ 5,103	\$ 40,353	\$ 37,426	\$ 8,030
Total Assets	<u>\$ 5,103</u>	<u>\$ 40,353</u>	<u>\$ 37,426</u>	<u>\$ 8,030</u>
Liabilities				
Due to General Fund	\$ 3,345	\$ 40,293	\$ 40,241	\$ 3,397
Due to Heirs, Litigants and Others	<u>1,758</u>	<u>11,883</u>	<u>9,008</u>	<u>4,633</u>
Total Liabilities	<u>\$ 5,103</u>	<u>\$ 52,176</u>	<u>\$ 49,249</u>	<u>\$ 8,030</u>

The accompanying notes are an integral part of these statements.

WALKER COUNTY, GEORGIA
MAGISTRATE COURT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Assets				
Cash	\$ 25,263	\$ 226,167	\$ 226,390	\$ 25,040
Total Assets	<u>\$ 25,263</u>	<u>\$ 226,167</u>	<u>\$ 226,390</u>	<u>\$ 25,040</u>
Liabilities				
Due to General Fund	\$ 9,914	\$ 113,719	\$ 113,212	\$ 10,421
Due to Litigants and Others	<u>15,349</u>	<u>112,448</u>	<u>113,178</u>	<u>14,619</u>
Total Liabilities	<u>\$ 25,263</u>	<u>\$ 226,167</u>	<u>\$ 226,390</u>	<u>\$ 25,040</u>

The accompanying notes are an integral part of these statements.

WALKER COUNTY, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Assets				
Cash	\$ 4,997,611	\$ 83,753	\$ 2,429,078	\$ 2,652,286
Taxes Receivable (SPLOST)	-	-	-	-
Total Assets	<u>\$ 4,997,611</u>	<u>\$ 83,753</u>	<u>\$ 2,429,078</u>	<u>\$ 2,652,286</u>
 Liabilities				
Due to General Fund	\$ -	\$ -	\$ -	\$ -
Due to other Government Entities	<u>4,997,611</u>	<u>83,753</u>	<u>2,429,078</u>	<u>2,652,286</u>
Total Liabilities	<u>\$ 4,997,611</u>	<u>\$ 83,753</u>	<u>\$ 2,429,078</u>	<u>\$ 2,652,286</u>

The accompanying notes are an integral part of these statements.

WALKER COUNTY, GEORGIA
PENSION TRUST FUND
STATEMENT OF PLAN NET ASSETS
AS OF SEPTEMBER 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Assets		
Cash	<u>\$ 2,309,409</u>	<u>\$ 1,742,773</u>
Fund Balance		
Reserved for Employees's Pension Benefits	<u>\$ 2,309,409</u>	<u>\$ 1,742,773</u>

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

**WALKER COUNTY, GEORGIA
PENSION TRUST FUND
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 1999 AND 1998**

	1999	1998
Additions		
Contributions:		
Employer	\$ 515,496	\$ 411,950
Total Contributions	515,496	411,950
Investment Income		
Net Appreciation in Fair Value of Investments	-	18,921
Interest	119,445	136,490
Net Investment Income	119,445	155,411
Total additions	634,941	567,361
Deductions		
Contractual Services	64,052	53,015
Pension Benefits	12,095	486,050
Total Deductions	76,147	539,065
Net Increase	558,794	28,296
Net assets held in trust for pension benefits		
Beginning of Year	1,742,773	1,658,778
Prior Period Adjustment	7,842	55,699
Beginning of Year (as restated)	1,750,615	1,714,477
End of Year	\$ 2,309,409	\$ 1,742,773

The accompanying notes are an integral part of these statements.

SUPPLEMENTAL INFORMATION

**WALKER COUNTY, GEORGIA
PUBLIC EMPLOYEES RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
ANALYSIS OF FUNDING PROGRESS**

Valuation Date	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Excess) Pension Benefit Obligation	Annual Covered Payroll	Unfunded (Assets in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll
01/01/87	\$ 622,415	\$ *	*%	\$ *	\$ 1,466,679	*%
01/01/88	580,065	*	*	*	1,535,824	*
01/01/89	800,829	800,101	100.1	(728)	1,536,446	0
01/01/90	748,103	789,065	94.8	40,962	1,577,435	2.6
01/01/91	707,674	739,450	95.7	31,776	2,153,035	1.5
01/01/92	807,858	934,636	86.4	126,768	2,538,794	4.9
01/01/93	948,485	1,083,305	87.6	134,820	2,925,571	4.6
01/01/94	1,209,416	1,652,239	73.2	442,823	3,586,867	12.3
01/01/95	1,275,110	1,886,063	67.6	610,945	3,642,240	16.8
01/01/96	1,709,812	2,633,763	64.9	923,951	4,160,648	22.2
01/01/97	1,658,778	2,877,905	57.6	1,219,127	4,483,955	27.2
01/01/98	1,742,773	2,433,323	71.6	690,550	4,647,077	14.9
01/01/99	2,309,409	2,902,821	79.6	593,412	5,042,778	11.8

Analysis of the dollar amounts of net assets available for benefits, pension benefits obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS. All annual contributions have been made in accordance with actuarial recommendations.

*Information not available.

**WALKER COUNTY, GEORGIA
PUBLIC EMPLOYEES RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
REVENUES BY SOURCE AND EXPENSES BY TYPE**

Plan Year Ended	Revenues by Source					Employer Contributions as a Percentage of Covered Payroll
	Employees	Contributions		Investment Income	Total	
		Employer	Total		Total	
01/01/96	0	\$ 387,236	\$ 387,236	\$ 114,206	\$ 501,442	9.3%
01/01/97		410,195	410,195	101,474	511,669	9.6%
01/01/98		411,950	411,950	136,490	548,440	8.9%
01/01/99		515,496	515,496	119,445	634,941	10.2%

Plan Year End	Expenses by Type		
	Benefits	Administrative Expenses	Total
01/01/96	\$ 12,081	\$ 54,667	\$ 66,748
01/01/97	507,271	55,432	562,703
01/01/98	486,050	53,015	539,065
01/01/99	12,095	56,210	68,305

(A) Information prior to 01/01/96 not available.

CONFIDENTIAL

INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

COMPLIANCE

The purpose of this document is to provide a comprehensive overview of the compliance requirements for the organization. This document is intended for internal use only and should be kept confidential. The information contained herein is for informational purposes only and does not constitute an offer of any financial product or service. The information is subject to change without notice and is not intended to be a substitute for professional advice. The information is provided as a general overview and is not intended to be a substitute for professional advice. The information is provided as a general overview and is not intended to be a substitute for professional advice.

The purpose of this document is to provide a comprehensive overview of the compliance requirements for the organization. This document is intended for internal use only and should be kept confidential. The information contained herein is for informational purposes only and does not constitute an offer of any financial product or service. The information is subject to change without notice and is not intended to be a substitute for professional advice. The information is provided as a general overview and is not intended to be a substitute for professional advice.

The purpose of this document is to provide a comprehensive overview of the compliance requirements for the organization. This document is intended for internal use only and should be kept confidential. The information contained herein is for informational purposes only and does not constitute an offer of any financial product or service. The information is subject to change without notice and is not intended to be a substitute for professional advice. The information is provided as a general overview and is not intended to be a substitute for professional advice.

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

Commissioner
Walker County
Lafayette, Georgia 30728

We have audited the general purpose financial statements of Walker County, Georgia, as of and for the year ended September 30, 1999, and have issued our report thereon dated March 14, 2000, which was qualified because insufficient audit evidence exists to support Walker County's disclosures with respect to the Law Library, Clerk of Courts Agency Fund and General Fixed Assets Account Group, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Walker County, Georgia's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as **items 98-6 and 98-7**. We also noted certain immaterial instances of noncompliance that we have reported to management of Walker County, Georgia, in a separate letter dated March 14, 2000.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Walker County, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Walker County, Georgia's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as **items 98-1, 98-2, 98-5 and 99-1**.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period

by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe all of the reportable conditions described above are material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to management of Walker County, Georgia, in a separate letter dated August 9, 2000.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Williamson & Co.

Williamson and Co., CPAs
August 9, 2000

Commissioner
Walker County
Waynesville, Georgia 30576

We have audited the compliance of Walker County, Georgia, with the provisions of the Internal Control over Financial Reporting Act of 2002 (ICFR) for the period from August 9, 2000 to August 9, 2000. The ICFR Act requires that all federal awarding agencies and pass-through entities, including state and local governments, implement and maintain an internal control system that provides reasonable assurance that federal awarding agencies and pass-through entities are in compliance with the provisions of the ICFR Act. The ICFR Act also requires that all federal awarding agencies and pass-through entities, including state and local governments, implement and maintain an internal control system that provides reasonable assurance that federal awarding agencies and pass-through entities are in compliance with the provisions of the ICFR Act.

We conducted our audit of compliance with the provisions of the ICFR Act in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and the standards of the Public Company Accounting Oversight Board (PCAOB). We performed our audit in accordance with the standards of the AICPA and the standards of the PCAOB. We believe that the audit procedures we performed provide a reasonable basis for our opinion. We believe that the audit procedures we performed provide a reasonable basis for our opinion. We believe that the audit procedures we performed provide a reasonable basis for our opinion. We believe that the audit procedures we performed provide a reasonable basis for our opinion.

In our opinion, Walker County, Georgia, is in compliance with the provisions of the ICFR Act for the period from August 9, 2000 to August 9, 2000.

Williamson and Co., CPAs

The management of Walker County, Georgia, is responsible for the design, implementation, and maintenance of an internal control system that provides reasonable assurance that federal awarding agencies and pass-through entities are in compliance with the provisions of the ICFR Act. We believe that the audit procedures we performed provide a reasonable basis for our opinion. We believe that the audit procedures we performed provide a reasonable basis for our opinion. We believe that the audit procedures we performed provide a reasonable basis for our opinion. We believe that the audit procedures we performed provide a reasonable basis for our opinion.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Commissioner
Walker County
Lafayette, Georgia 30728

Compliance

We have audited the compliance of Walker County, Georgia, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 1999. Walker County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Walker County's management. Our responsibility is to express an opinion on Walker County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Walker County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Walker County's compliance with those requirements.

In our opinion, Walker County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1999.

Internal Control Over Compliance

The management of Walker County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Walker County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe all of the reportable conditions described above are material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to management of Walker County, Georgia, in a separate letter dated August 9, 2000.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Williamson & Co.
Williamson and Co., CPAs
August 9, 2000

Walker County
Waynesville, Georgia 30578

We have audited the compliance of Walker County, Georgia, with the provisions of the Internal Control over Financial Reporting (ICFR) requirements of the Sarbanes-Oxley Act of 2002, as amended, for the period ended September 30, 2000. Walker County's major financial reporting process is the preparation of financial statements for the reporting period. The ICFR requirements are designed to ensure the accuracy and completeness of the financial reporting process. The ICFR requirements are designed to ensure the accuracy and completeness of the financial reporting process. The ICFR requirements are designed to ensure the accuracy and completeness of the financial reporting process.

We considered the design and implementation of the ICFR requirements and the effectiveness of the ICFR requirements. We considered the design and implementation of the ICFR requirements and the effectiveness of the ICFR requirements. We considered the design and implementation of the ICFR requirements and the effectiveness of the ICFR requirements. We considered the design and implementation of the ICFR requirements and the effectiveness of the ICFR requirements. We considered the design and implementation of the ICFR requirements and the effectiveness of the ICFR requirements.

In our opinion, Walker County, Georgia, did not maintain an effective system of internal control over financial reporting as of September 30, 2000.

The management of Walker County, Georgia, is responsible for the design, implementation, and maintenance of an effective system of internal control over financial reporting. The management of Walker County, Georgia, is responsible for the design, implementation, and maintenance of an effective system of internal control over financial reporting. The management of Walker County, Georgia, is responsible for the design, implementation, and maintenance of an effective system of internal control over financial reporting.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Commissioner
Walker County
Lafayette, Georgia 30728

Compliance

We have audited the compliance of Walker County, Georgia, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 1999. Walker County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Walker County's management. Our responsibility is to express an opinion on Walker County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Walker County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Walker County's compliance with those requirements.

In our opinion, Walker County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1999.

Internal Control Over Compliance

The management of Walker County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Walker County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

This report is intended for the information of the finance committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Williamson & Co.
Williamson & Co., CPAs
August 9, 2000

Walker County, Georgia
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 1999

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Justice:		
Direct Award		
COPS Domestic Violence	16.710	\$ 17,513
Bureau of Justice Assistance Multi-Jurisdictional Task Force	16.579	250,739
U.S. Department of Transportation: Passed through National Highway Transportation And Safety:		
Traffic Safety and Accident Prevention	20.600	97,058
U.S. Department of Housing and Urban Development:		
Pass-through State Department of Community Development: Community Development Block Grants – State Programs	14.228	518,947
Other Federal Assistance U.S. Department of Agriculture	--	<u>6,800</u>
		<u>\$891,570</u>

Note: This Schedule of expenditures of federal awards
 is prepared on the accrual basis of accounting.

Walker County, Georgia
Summary Schedule of Prior Audit Findings
Year Ended September 30, 1999

98-1: JURY FUND CASH ACCOUNT

- Criteria:* Controls should be in place that provide reasonable assurance that accounts are reconciled and agree to the general ledger.
- Condition:* The Jury Fund bank account was not reconciled to the general ledger nor was a check register maintained. Manual checks are being written out of this account. This was also a prior year condition. An attempt was made to bring reconciliations up to date, but due to loss of personnel, the bank statements have not been reconciled since June, 1998.
- Effect:* Because of these continued lack of controls over the Jury Fund cash account, cash may be lost and expenditures may be understated.
- Recommendation:* Procedures should be implemented requiring monthly reconciliations. A check register needs to be established for recording deposits and checks. No transfers of money should be made from the Superior Court accounts to the Jury Fund account. Efforts to avoid the manual check writing system should be made.
- Status:* The Commissioner's Office reconciles the statements each month. The County should consider having all payments flow through the administrative/finance office.

98-2: FIXED ASSETS SCHEDULE

- Criteria:* It is the responsibility of management to put in place all internal controls necessary to safeguard the property, plant, and equipment of the County. In order that reasonable assurance can be given as to the fixed asset valuation on the financial statements.
- Condition:* Prior to 1984, fixed asset records were not maintained. Assets acquired after 1984 have been maintained by an outside auditor. An up-to-date record of fixed assets has not been prepared for all county assets. A yearly inventory is performed but controls are not in place to provide assurance concerning asset security. A uniform capitalization policy is not followed by all departments in the County government.
- Effect:* The yearly audit is qualified.
- Recommendation:* We recommend a new fixed assets/inventory system be acquired and a complete inventory of all assets be entered on the system, and that a County wide capitalization policy be put into practice. We suggest that all expenditure items with lives greater than one year or equal to or greater than \$1000.00 be considered a capital expenses. These recommendations were made in the prior year, but have not been accomplished across all departments.
- Status:* The cost and time required to implement have prevented the County from Correcting.

**Walker County, Georgia
Summary Schedule of Prior Audit Findings
Year Ended September 30, 1999**

98-3: CLERK OF COURTS – LACK OF PROPER CONTROLS OVER CASH

Criteria: Internal controls should be in place to provide for the safeguarding of cash.

Condition: The Clerk of Courts has control over approximately twelve bank accounts. The accounts require only one signature and in numerous cases the checks are made out to Clerk of Courts, signed by Clerk of Courts and endorsed on the back by Clerk of Courts. Bank reconciliations are attempted by inadequately trained personnel. Checks are pre-signed and left in the manual check book in an unlocked drawer. These conditions, lack of segregation of duties for cash functions and breach of security measures to safeguard cash, were cited in the prior year.

Effect: These material weaknesses limit management's effectiveness in safeguarding the Court's cash balances against errors and irregularities.

Recommendation: We recommend that two signatures be required on all checks over \$200 (or less) and no check be written to the Clerk of Courts to transfer monies. The lack of adequately trained personnel could continue to be a problem in the upcoming year if employees are not permitted to ask questions or ask for help when they have a problem completing tasks. No blank checks should be left in an unsecured place. And no checks should be signed in advance of actual issuance.

Status: Improvements appear to have been made. Transfer of money (except in two instances) were made using with a *for deposit only* stamp.

98-4: CLERK OF COURTS – IMPROPER RECORDING OF CONTRACT REVENUE AND UNDOCUMENTED EXPENDITURE (QUESTIONED COST)

Criteria: Proper system wide accounting requires that all revenues in all departments should be processed and recorded through the County central office.

Condition: The Clerk of Courts received a \$10,000 contract award from a non-profit group to upgrade the computer for land deed modernization in 1997. The grant has never been reported nor processed through the County's central office. Subsequently, a printer was purchased, but no documentary or physical evidence of the purchase could be produced

Effect: Revenues may be understated and expenditures may be unrecorded and/or inappropriately spent.

Recommendation: We recommend all income flow through the central office, grants recorded and any restrictions followed. All expenditures should be properly recorded and adequately documented.

Status: No unrecorded Grant money received in current year.

Walker County, Georgia
Summary Schedule of Prior Audit Findings
Year Ended September 30, 1999

98-5: SUPERIOR COURT – UNTIMELY AND INCORRECT RECORDING OF LEDGER ACTIVITY

- Criteria:* Controls should be in place to insure correct recording of all transactions.
- Condition:* Untimely and incorrect recording of activity continues to be a problem in the current year as it was in the prior year. The court ledgers were not up to date as of September, 1998 and 1999. We helped with the posting from June to September, 1998. However, as of September, 1999, the ledger was not up to date and several reports were completed in error.
- Effect:* Management's attitude at the Clerk of Court's office toward the proper and timely recording and reporting of financial data affects the fair presentation of the accounts that make up the County's financial statements. Under or overstatement of accounts is likely and time required to find errors is increased.
- Recommendation:* We recommend that the ledger be balanced each month and any problems resolved prior to closing for the month.
- Status:* Not resolved and continues to be an issue.

98-6: INTEREST EARNED NOT TURNED OVER, NON-COMPLIANCE WITH STATE LAW

- Criteria:* Interest earned in each cash account in the Clerk of Court's office should have been turned over each month.
- Compliance:* The Clerk of Courts has chosen to disregard state law, (GA Code 15-21-55) which says that all surplus funds should be paid into the general fund for usage as specified in the law.
- Condition:* In years prior to 1994, all interest earned in the Clerk of Courts' accounts should have been turned over monthly to the Governing County Authority. This policy was not followed, and the interest on the accounts has been kept by the Clerk of Courts' office. The interest amounts to approximately \$110,000, part but not all of which has been relinquished to County's general fund.
- Effect:* Revenues are understated and unavailable for current expenditures.
- Recommendation:* We recommend that all of the pre 1994 interest revenue be turned over as required for recording by and use by the County general fund.
- Status:* Approximately \$60,000 has been remitted to the County Treasurer/Commissioner as of September 30, 1999.

Walker County, Georgia
Summary Schedule of Prior Audit Findings
Year Ended September 30, 1999

98-7: SCOPE LIMITATION ON STATE COMPLIANCE FOR THE COUNTY LAW LIBRARY FUNDS

- Compliance:* In maintaining the County law library, funds received for the law library must be deposited in the county law library fund, and the courts should impose in each civil or criminal case a fee of \$5 or less for the support of the county law library per GA Code 36-15-5 and 36-15-9.
- Condition:* We sent three letters requesting information concerning the Law Library funds and discussed the need for information with individuals handling these funds. We received the information too late to alter our statements for the current year-end.
- Effect:* There is a scope limitation for the Auditor's reporting on internal controls and compliance with State law.
- Status:* Per our discussion with the Superior Court Judge we believe the problem will be resolved for the upcoming year ending September 30, 2000.

Walker County, Georgia
 Combined Schedule of Findings and Questioned Costs
 Year Ended September 30, 1999

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: **Qualified**

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Reportable condition(s) identified not
 considered to be material weaknesses? Yes None reported

Noncompliance material to financial
 statements noted? Yes No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes No

Reportable condition(s) identified not
 considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are
 required to be reported in accordance with
 Circular A-133, Section .510(a)? Yes No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Housing and Urban Development Georgia Department of Community Affairs

Dollar threshold used to distinguish between
 Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Walker County, Georgia
Combined Schedule of Findings and Questioned Costs
Year Ended September 30, 1999

B. FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

99-1: CLERK OF COURTS – LACK OF CONTROLS AND ACCOUNTABILITY

Clerk's 10/6/99

Criteria: Good internal controls are essential to achieving the proper conduct of governmental business with full accountability for the resources made available. The controls help to insure management's objectives are met by serving as checks and balances against undesired actions.

Conditions:

- 1) **Bank accounts not reconciled** – Currently the clerk has approximately twelve bank, of which only three or four are reconciled to the checkbook.
- 2) **Internal Office Reports** – We reviewed two monthly "Office reports" and both reports had errors concerning the actual receipts and disbursement of monies.
- 3) **Real Estate Transfer Tax Report** – The report selected for review was not correct. The computations were incorrect which resulted in an underpayment to another government.
- 4) **Fines** – During the year-end audit of the state court agency fund, we noted that the length of the time before disbursement of money collected from the previous month was increasing. This increase in time to disburse money resulted from the incorrect calculations and overpayment of \$8.75 on each fine. The total overpayment for the year is approximately \$98,000.

Effect:: Increases length of time between the collection and disbursement of the money collected. Requires qualification of audit report in relationship to the clerk of courts agency fund.

Recommendation: Many of the errors and over/underpayments could have been avoided if a responsible person would review monthly reports and calculations before checks were written. The use of receipts and disbursement ledgers would greatly enhance the ability of the current staff to review their own work. The state of Georgia (through the Georgia Clerk's Authority) has invested thousands of dollars in new computers and given them to each county clerk of courts. These computers (if utilized) could provide correct and accurate monthly reports and using their spreadsheet capabilities help monitor for errors such as what happened during the previous year.

P.O. BOX 473
611 N. TENNESSEE ST
CARTERSVILLE, GA 30120
(770) 382-3361
FAX (770) 386-8382



EARL WILLIAMSON
LLOYD WILLIAMSON

GREG BRADY
MARIE WILLIAMSON

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE
LOCAL OPTION SALES TAX

Commissioner
Walker County
Lafayette, Georgia 30728

We have audited the financial statements of Walker County, Georgia, as of and for the fiscal year ended September 30, 1999, and have issued our report thereon dated August 9, 2000. In our report, our opinion was qualified because the general purpose financial statements do not include general fixed assets acquired prior to 1984. Our audit was conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States as required by Section 48-8-121 of the Official Code of Georgia Annotated (OCGA).

In the conduct of our audit, we verified and tested expenditures of each project constructed or under construction which were identified in the resolution or ordinance claiming for imposition of the special sales and use tax authorized by Section 48-8-110 OCGA. The accompanying schedules which list each identified project and information required by Section 48-8-121 OCGA present fairly the original estimated cost of each project through September 30, 1999, the end of the fiscal year covered by this audit.

Williamson & Co.
Williamson & Company, CPAs
August 9, 2000

Walker County, Georgia
 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
 Adopted August 17, 1987
 For the Fiscal Year Ended September 30, 1999

Project	Expenditures			Total	Estimated Percentage of Completion
	Original Estimated Cost	Prior Years	Current Period		
Public Auditorium and Senior Citizens Center	\$ 700,000	\$ 1,743,438	\$ -	\$ 1,743,438	100%
Parking Garage	400,000	-	-	-	0%
Water Plant Storage Tank	540,000	524,409	-	524,409	100%
Fire Protection Program	125,000	130,761	-	130,761	100%
Wastewater Treatment Program	2,413,200	409,867	-	490,867	100%
Lateral and Interceptor Sewer Projects	8,235,000	9,961,651	-	9,961,651	100%
Wastewater Treatment Works	612,400	405,391	-	405,391	100%
Fire Hydrants and Water Line Installation	42,800	38,000	-	38,000	100%
Recreation Facility	300,000	300,000	-	300,000	100%
Renovation of Town Creek Interceptor Sewer Line and Improvements of City of Lafayette Wastewater Treatment Works	1,602,800	1,144,497	670,388	1,814,885	100%
Construction and Renovate City of Rossville Sewer Lines	1,028,800	968,685	-	968,685	94%
Total	\$ 16,000,000	\$ 15,626,699	\$ 670,388	\$ 16,378,087	

Walker County, Georgia
 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
 Adopted April 27, 1993
 For the Fiscal Year Ended September 30, 1999

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Period	Total	
Walker County:					
Fire Stations	\$ 1,200,000	\$ 1,243,497	\$ -	\$ 1,243,497	104%
Water Treatment Plant	1,000,000	1,005,708	-	1,005,708	101%
Landfill Equipment	400,000	278,592	-	278,592	70%
Courthouse Renovation	900,000	105,693	-	105,693	12%
Jail Expansion	800,000	808,842	-	808,842	101%
LaFayette Sewer Lines - Hwy 27	4,700,000	2,505,117	-	2,505,117	53%
Walker Board of Education	4,500,000	2,316,854	576,560	2,893,414	64%
	<u>13,500,000</u>	<u>8,264,303</u>	<u>576,560</u>	<u>8,840,863</u>	
City of Lafayette:					
Sewer Projects	1,600,150	-	847,021	847,021	53%
Recreation Facilities	500,000	500,000	-	500,000	100%
City of Rossville: (Amended 2/98)					
Municipal Building	-	-	97,948	97,948	
Fire Stations	150,000	104,962	13,716	118,678	79%
Sewer Projects	100,000	45,372	56,034	101,406	101%
Recreation	50,000	50,000	-	50,000	100%
Senior Citizen Center	836,250	904,876	-	904,876	108%
City of Chickamauga:					
Fire Station	50,000	68,657	-	68,657	137%
Recreation	30,000	29,699	-	29,699	99%
Senior Citizen Center	60,000	89,804	-	89,804	150%
Water Project	538,150	207,340	-	207,340	39%
Lookout Mountain:					
Sewer Project	466,150	222,902	141,746	364,648	78%
Recreation	50,000	61,619	25,664	87,283	175%
Fire Protection	-	76,932	-	76,932	
City of Ft. Oglethorpe					
Sewer Projects	69,300	-	-	-	0%
	<u>\$ 18,000,000</u>	<u>\$ 10,626,466</u>	<u>\$ 1,758,689</u>	<u>\$ 12,385,155</u>	

Walker County, Georgia
 Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds
 Adopted March 17, 1998
 For the Fiscal Year Ended September 30, 1999

	Project	Original Estimated Cost(1)	Expenditures			Estimated Percentage Completion
			Prior Years	Current Year	Total	
1998	Water and Sewer	\$ -	\$ -	\$ 230,679	\$ 230,679	
1998	Subtitle D Landfill	-	-	408,711	408,711	
1998	Recreation	-	-	-	-	
1998	Renovation of Courthouse	-	-	1,000	1,000	
1998	New Agricultural Center	-	-	2,500	2,500	
1998	Renovate, Expand Jail	-	-	12,647	12,647	
1998	New Industrial Park	-	-	46,235	46,235	
1998	Roads, Streets, and Bridges	-	-	15,566	15,566	
1998	Administration	-	-	3,386	3,386	
	Total for all projects	<u>\$ 18,750,000.00</u>	<u>\$ -</u>	<u>\$ 720,724.00</u>	<u>\$ 720,724.00</u>	3.84%

(1) Specific costs per project are not presented. The SPOST referendum was only for total cost of all projects