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WALKER COUNTY, GEORGIA  
ANNUAL FINANCIAL STATEMENTS  
FOR THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

**WILLIAMSON  
& COMPANY**

Certified Public Accountants  
Cartersville, Georgia

**WALKER COUNTY, GEORGIA**  
**Annual Financial Statements**  
**For The**  
**Fiscal Year Ended September 30, 2000**

**Walker County, Georgia  
Comprehensive Annual Financial Report  
Year Ended September 30, 2000**

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**Walker County, Georgia  
Comprehensive Annual Financial Report  
Year Ended September 30, 2000**

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**FINANCIAL SECTION**

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## 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, 2000, 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 \$28,197,120 as of September 30, 2000, and total revenues of \$3,030,828 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 applicable to financial audits 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 and the report of other auditors provides a reasonable basis for our opinion.

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.

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 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, 2000, 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 December 29, 2000, on our consideration of Walker County, Georgia's internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 & Company, CPAs*

Williamson & Company, CPAs  
Cartersville, Georgia  
December 29, 2000

**WALKER COUNTY, GEORGIA  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNITS  
SEPTEMBER 30, 2000  
(WITH COMPARATIVE TOTALS FOR 1999)**

Exhibit 1

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Capital Projects	Internal Service	Agency
<b>ASSETS</b>					
Cash	\$ 1,371,131	\$ 66,087	\$ 5,469,417	\$ 19,756	\$ 5,893,764
Deposits	-	-	-	-	-
Investments	-	-	-	-	-
Inventory	-	-	-	-	-
Receivables (net of allowances for uncollectible):					
Taxes	27,838	-	-	-	1,846,802
Accounts	226,058	-	-	-	-
Grants	279,673	-	-	-	-
Interest	26,073	-	40,132	-	-
Capital Lease/Notes	-	-	-	-	-
Prepaid Expenses	38,231	-	-	-	-
Due From Other Funds	305,812	-	1,258,065	-	-
Due From Other Governments	2,354,905	-	774,752	-	-
Fixed Assets - Net of Accumulated Depreciation	-	-	-	-	-
Restricted Cash	117,113	-	311,716	-	-
Unamortized Bond Discount	-	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 4,746,834</b>	<b>\$ 66,087</b>	<b>\$ 7,854,082</b>	<b>\$ 19,756</b>	<b>\$ 7,740,566</b>
<b>LIABILITIES</b>					
Accounts Payable and Accrued Expenses	\$ 726,842	\$ -	\$ -	\$ 5,180	\$ -
Due to Other Funds	-	-	1,392,752	-	171,125
Due to Other Governments	-	-	300,639	-	4,358,665
Due to Heirs, Litigants and Others	-	-	-	-	343,250
Deferred Revenues	19,901	-	-	-	-
Customer Deposits	-	-	-	-	-
Capital Leases	-	-	-	-	-
Landfill Cost Obligation	-	-	-	-	-
Interest Payable	-	-	-	-	-
Note and Bonds Payables	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>746,743</b>	<b>-</b>	<b>1,693,391</b>	<b>5,180</b>	<b>4,873,040</b>
<b>FUND EQUITY</b>					
Investment in General Fixed Assets	-	-	-	-	-
Contributed Capital	-	-	-	-	-
Retained Earnings	-	-	-	14,576	-
Fund Balances:					
Reserved for Completion of Projects	-	-	6,160,691	-	-
Reserved for Special Revenue	-	66,087	-	-	-
Reserved for Employees Pension Benefits	-	-	-	-	2,867,526
Reserved for Landfill	51,795	-	-	-	-
Unreserved, Undesignated	3,948,296	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>4,000,091</b>	<b>66,087</b>	<b>6,160,691</b>	<b>14,576</b>	<b>2,867,526</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 4,746,834</b>	<b>\$ 66,087</b>	<b>\$ 7,854,082</b>	<b>\$ 19,756</b>	<b>\$ 7,740,566</b>

(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, 2000  
(WITH COMPARATIVE TOTALS FOR 1999)**

(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	2000	1999
\$ -	\$ -	\$ 12,820,155 ✓	\$ 440,650 ✓	\$ 13,260,805	\$ 20,404,704
-	-	-	377	377	377
-	-	-	38,680	38,680	49,078
-	-	1,874,640	-	1,874,640	1,788,276
-	-	226,058	410,807	636,865	475,267
-	-	279,673	-	279,673	197,030
-	-	66,205	19,627	85,832	95,514
-	-	-	699,447	699,447	689,006
-	-	38,231	32,721	70,952	414,037
-	-	1,563,877 ✓	-	1,563,877	582,870
-	-	3,129,657	37,283 ✓	3,166,940	2,246,128
34,949,492 ✓	-	34,949,492 ✓	23,488,073 ✓	58,437,565	49,950,221
-	-	428,829 ✓	2,832,600 ✓	3,261,429	2,822,209
-	-	-	196,855	196,855	225,128
-	13,238,029	13,238,029	-	13,238,029	15,447,309
<u>\$ 34,949,492</u>	<u>\$ 13,238,029</u>	<u>\$ 68,614,846</u>	<u>\$ 28,197,120</u>	<u>\$ 96,811,966</u>	<u>\$ 95,387,154</u>
\$ -	\$ -	\$ 732,022	\$ 149,776	\$ 881,798	\$ 1,092,397
-	-	1,563,877 ✓	-	1,563,877	582,870
-	-	4,659,304	-	4,659,304	4,634,254
-	-	343,250	-	343,250	411,204
-	-	19,901	-	19,901	6,521
-	-	-	328,089	328,089	313,172
-	4,941,731 ✓	4,941,731	-	4,941,731	5,193,141
-	2,486,298 ✓	2,486,298	-	2,486,298	2,464,168
-	-	-	218,512	218,512	227,512
-	5,810,000 ✓	5,810,000	7,499,585 ✓	13,309,585	15,631,577
-	13,238,029 ✓	20,556,383	8,195,962	28,752,345	30,556,816
34,949,492	-	34,949,492	-	34,949,492	26,082,857
-	-	-	15,570,973 ✓	15,570,973	15,533,690
-	-	14,576	4,430,185 ✓	4,444,761	4,619,204
-	-	6,160,691	-	6,160,691	11,349,051
-	-	66,087	-	66,087	(94,949)
-	-	2,867,526	-	2,867,526	2,309,409
-	-	51,795	-	51,795	139,800
-	-	3,948,296	-	3,948,296	4,891,276
<u>34,949,492</u>	<u>-</u>	<u>48,058,463</u>	<u>20,001,158</u>	<u>68,059,621</u>	<u>64,830,338</u>
<u>\$ 34,949,492</u>	<u>\$ 13,238,029</u>	<u>\$ 68,614,846</u>	<u>\$ 28,197,120</u>	<u>\$ 96,811,966</u>	<u>\$ 95,387,154</u>

*py 15533690*

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, 2000

Exhibit 2

(Continued)

Special Revenue Funds			Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	27,750,000	4,197,479	(23,552,521)
670,000	681,381	11,381	-	-	-
-	-	-	-	-	-
454,000	591,371	137,371	-	-	-
-	3,988	3,988	-	512,538	512,538
-	-	-	-	-	-
<u>1,124,000</u>	<u>1,276,740</u>	<u>152,740</u>	<u>27,750,000</u>	<u>4,710,017</u>	<u>(23,039,983)</u>
-	-	-	-	-	-
-	-	-	-	-	-
985,232	1,149,928	(164,696)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	704	(704)	-	65,235	(65,235)
-	67,312	(67,312)	27,750,000	7,372,622	20,377,378
191,941	191,941	-	-	1,980,000	(1,980,000)
95,330	95,340	(10)	-	319,160	(319,160)
<u>1,272,503</u>	<u>1,505,225</u>	<u>(232,722)</u>	<u>27,750,000</u>	<u>9,737,017</u>	<u>18,012,983</u>
<u>(148,503)</u>	<u>(228,485)</u>	<u>(79,982)</u>	<u>-</u>	<u>(5,027,000)</u>	<u>(5,027,000)</u>
-	-	-	-	-	-
206,893	355,247	148,354	-	-	-
-	-	-	-	-	-
<u>206,893</u>	<u>355,247</u>	<u>148,354</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 58,390</u>	<u>126,762</u>	<u>\$ 68,372</u>	<u>\$ -</u>	<u>(5,027,000)</u>	<u>\$ (5,027,000)</u>
	(94,949)			11,349,051	
	<u>34,274</u>			<u>(161,360)</u>	
	(60,675)			11,187,691	
	<u>\$ 66,087</u>			<u>\$ 6,180,691</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, 2000**

Exhibit 3

	Governmental Fund Types			Total (Memorandum Only)	
	General	Special Revenue	Capital Projects	2000	1999
<b>REVENUE</b>					
Property Taxes	\$ 3,072,696	\$ -	\$ -	\$ 3,072,696	\$ 3,792,582
Other Taxes	6,264,729	-	4,197,479	10,462,208	9,666,810
Licenses and Permits	77,544	-	-	77,544	85,492
Charges for Services	2,039,340	681,381	-	2,720,721	2,646,579
Intergovernmental Revenue	1,334,558	-	-	1,334,558	1,524,466
Fees From County Officials	1,514,743	591,371	-	2,106,114	1,337,326
Investment Earnings	335,090	3,988	512,538	851,616	554,010
Other Revenue	300,802	-	-	300,802	524,737
<b>Total Revenues</b>	<b>14,939,502</b>	<b>1,276,740</b>	<b>4,710,017</b>	<b>20,926,259</b>	<b>20,132,002</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General Government	1,900,336	-	-	1,900,336	2,811,090
Judicial	1,966,089	-	-	1,966,089	1,830,760
Sheriff	3,534,347	-	-	3,534,347	3,364,881
Public Safety	237,020	1,149,928	-	1,386,948	1,211,428
Public Works	3,450,849	-	-	3,450,849	4,324,367
Culture and Recreation	126,632	-	-	126,632	113,482
Health and Welfare	666,776	-	-	666,776	595,409
Unallocated Employee Benefits	1,430,950	-	-	1,430,950	1,207,643
Other	572,372	704	65,235	638,311	630,361
Capital Expenditures	1,494,013	67,312	7,372,622	8,933,947	1,939,083
Debt Service - Principal	304,969	191,941	1,980,000	2,476,910	2,346,999
Debt Service - Interest	175,887	95,340	319,160	590,387	694,213
<b>Total Expenditures</b>	<b>15,860,240</b>	<b>1,505,225</b>	<b>9,737,017</b>	<b>27,102,482</b>	<b>21,069,716</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(920,738)	(228,485)	(5,027,000)	(6,176,223)	(937,714)
<b>Other Financing Sources (Uses)</b>					
Bond Proceeds	-	-	-	-	4,851,000
Operating transfers - in	-	355,247	-	355,247	219,933
Operating transfers - out	(355,247)	-	-	(355,247)	(219,933)
Proceeds from Capital Lease	245,000	-	-	245,000	433
<b>Total Other Financial Sources (Uses)</b>	<b>(110,247)</b>	<b>355,247</b>	<b>-</b>	<b>245,000</b>	<b>4,851,433</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,030,985)	126,762	(5,027,000)	(5,931,223)	3,913,719
Fund Balance - October 1	5,031,076 ✓	(94,949) ✓	11,349,051 ✓	16,285,178	12,389,860
Prior Period Adjustment	-	34,274	(161,360)	(127,086)	(70,372)
Fund Balance as Restated	5,031,076 ✓	(60,675)	11,187,691	16,158,092	12,319,488
Residual Equity Transfer-in	-	-	-	-	51,971
<b>Fund Balance - September 30</b>	<b>\$ 4,000,091</b>	<b>\$ 66,087</b>	<b>\$ 6,160,691</b>	<b>\$ 10,226,869</b>	<b>\$ 16,285,178</b>

The accompanying notes are an integral part of this statement.

**Walker County, Georgia**  
**Combined Statement of Changes in Plan Assets**  
**Pension Trust Fund**  
**For the Fiscal Year Ended September 30, 2000 and 1999**

Exhibit 4

	<u>2000</u>	<u>1999</u>
<b>Additions:</b>		
Contributions:		
Employer	\$ 455,000	\$ 515,496
Employee	-	-
Total contributions	<u>455,000</u>	<u>515,496</u>
Investment income:		
Net appreciation in fair value of investments	-	-
Interest	<u>186,298</u>	<u>119,445</u>
Net investment income	<u>186,298</u>	<u>119,445</u>
Total additions	641,298	634,941
<b>Deductions:</b>		
Administrative expenses	55,701	64,052
Pension benefits paid	<u>27,480</u>	<u>12,095</u>
Total deductions	<u>83,181</u>	<u>76,147</u>
<b>Net increase</b>	558,117	558,794
<b>Net assets held in trust for pension benefits</b>		
Beginning of year	2,309,409 ✓	1,742,773
Prior Period Adjustment	<u>-</u>	<u>7,842</u>
End of year	<u>\$ 2,867,526</u> ✓	<u>\$ 2,309,409</u>

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, 2000**

Exhibit 5

	<u>Primary Government</u>		<u>Totals (Memorandum Only)</u>	
	<u>Proprietary Fund Type</u>	<u>Component Unit</u>		
	<u>Internal Service</u>	<u>Water and Sewerage</u>	<u>2000</u>	<u>1999</u>
<b>Operating Revenues</b>				
Water Sales	\$ -	\$ 1,938,040	\$ 1,938,040	\$ 1,865,079
Sewerage Charges	-	899,834	899,834	857,878
Wastewater Treatment Surcharge	-	30,823	30,823	38,257
Charges for Services	55,935	-	55,935	75,590
Penalties	-	64,771	64,771	60,592
Tap and Reconnections	-	88,010	88,010	88,080
Other	-	23,591	23,591	25,550
Refunds	-	(14,241)	(14,241)	(17,918)
Total Operating Revenues	<u>55,935</u>	<u>3,030,828</u>	<u>3,086,763</u>	<u>2,993,108</u>
<b>Operating Expenses</b>				
Salaries	-	582,999	582,999	523,427
Employee Benefits	-	192,177	192,177	186,843
Charge for Services	-	419,497	419,497	338,666
Professional Fees	-	56,930	56,930	62,040
Utilities	-	485,022	485,022	467,896
Repairs and Maintenance	-	190,430	190,430	223,655
Travel and Training	-	6,287	6,287	17,348
Office Expense	-	92,197	92,197	85,730
Contracts	-	75,936	75,936	74,462
Claims Paid	56,964	-	56,964	66,857
Depreciation and Amortization	-	805,282	805,282	782,791
Bad Debts	-	5,023	5,023	4,463
Total Operating Expenses	<u>56,964</u>	<u>2,911,780</u>	<u>2,968,744</u>	<u>2,834,178</u>
Operating Income (Loss)	<u>(1,029)</u>	<u>119,048</u>	<u>118,019</u>	<u>158,930</u>
<b>Non-operating Income (Expense)</b>				
Interest Expense	-	(492,303)	(492,303)	(509,928)
Interest Income	-	126,373	126,373	129,351
Sinking Fund Income	-	61,630	61,630	54,827
Gain on Sale of Fixed Assets	-	1,005	1,005	13,162
Rent	-	10,833	10,833	9,167
Total Non-operating Income (Expense)	<u>-</u>	<u>(292,462)</u>	<u>(292,462)</u>	<u>(303,421)</u>
Net Income (Loss)	<u>(1,029)</u>	<u>(173,414)</u>	<u>(174,443)</u>	<u>(144,491)</u>
Retained Earnings - October 1	15,605 ✓	4,603,599 ✓	4,619,204	4,815,666
Residual Equity Transfer - Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,971)</u>
Retained Earnings - September 30	<u>\$ 14,576</u>	<u>\$ 4,430,185</u>	<u>\$ 4,444,761</u>	<u>\$ 4,619,204</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, 2000**  
**(WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED SEPTEMBER 30, 1999)**

	<u>Primary Government</u>		<u>Totals (Memorandum Only)</u>	
	<u>Proprietary Fund Type</u>	<u>Component Unit</u>		
	<u>Internal Service</u>	<u>Water and Sewerage</u>	<u>2000</u>	<u>1999</u>
<b>Cash Flows From Operating Activities</b>				
Cash Received from Users	\$ 55,935	\$ 3,028,686	\$ 3,084,621	\$ 2,995,721
Cash Payments for Claims	(56,387)	-	(56,387)	(62,254)
Cash Payments for Goods and Services	-	(1,468,870)	(1,468,870)	(1,488,770)
Cash Payments to Employees for Services	-	(599,467)	(599,467)	(519,449)
Net Cash Provided by Operating Activities	(452)	960,349	959,897	925,248
<b>Cash Flows From Non-capital Financing Activities</b>				
Transfers out to other funds	-	-	-	(51,971)
<b>Cash Flows From Capital and Related Financial Activities</b>				
Payment for Capital Acquisitions	-	(438,802)	(438,802)	(624,374)
Proceeds from Special Local Option Sales Tax	-	-	-	-
Principal Payments - Notes	-	-	-	-
Receipts to Construct Capital Assets	-	-	-	110,286
Payment to Bond Sinking Fund	-	(490,038)	(490,038)	(470,171)
Principal Received - Notes	-	2,542	2,542	2,347
Proceeds From Rental Income	-	10,833	10,833	9,167
Principal Received - Leases	-	31,388	31,388	28,458
Interest Received - Notes	-	3,458	3,458	3,653
Interest Received - Leases	-	36,744	36,744	38,365
Proceeds From Sale of Equipment	-	1,005	1,005	13,162
Interest Paid - Notes	-	-	-	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	-	(842,870)	(842,870)	(889,107)
<b>Cash Flows From Investing Activities</b>				
Interest on Investments	-	50,204	50,204	72,883
Purchase of Certificates of Deposit	-	(974,663)	(974,663)	(613,157)
Maturities of Certificates of Deposits	-	497,796	497,796	650,430
Maturities of Investments	-	-	-	-
Net Cash Provided by (Used In) Investing Activities	-	(426,663)	(426,663)	110,156
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(452)	(309,184)	(309,636)	94,326
Cash and Cash Equivalents - Beginning (Including \$0 and \$41,829 in Restricted Cash)	20,208	892,977	913,185	818,859
Cash and Cash Equivalents - Ending (Including \$0 and \$143,010 in Restricted Cash)	\$ 19,756	\$ 583,793	\$ 603,549	\$ 913,185

(Continued)

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*377*  
*143010*  


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*584037*  
*583793*  


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*244*

*440650*  
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*583660*  
*583793*  


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*133*

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

WALKER COUNTY, GEORGIA  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES AND DECRETELY PRESENTED COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000  
(WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED SEPTEMBER 30, 1999)

Exhibit 6

(Continued)

	Primary Government		Totals (Memorandum Only)	
	Proprietary Fund Type	Component Unit		
	Internal Service	Water and Sewerage	2000	1999
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ (1079)	\$ 119,048	\$ 119,048	\$ 158,931
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	-	805,282	805,282	782,791
Provision for Uncollectible Accounts	-	5,023	5,023	4,463
(Increase) Decrease in Assets:				
Accounts Receivables	-	(33,611)	(33,611)	(25,225)
Inventory	-	10,398	10,398	(9,685)
Prepaid Expenses	-	(1,515)	(1,515)	(1,411)
Due From Other Governments	-	16,552	16,552	13,312
Increase (Decrease) in Liabilities:				
Accounts Payables	-	40,723	40,723	(16,432)
Accrued Expenses	-	(16,468)	(16,468)	3,978
Customer Deposits	-	14,917	14,917	14,526
	<u>\$ -</u>	<u>\$ 960,349</u>	<u>\$ 960,349</u>	<u>\$ 925,248</u>
 Non-cash Investing, Capital and Financial Activities				
Funds Used to Pay Principal on Revenue Bonds	-	360,000	360,000	345,000
Funds Used to Pay Interest on Revenue Bonds	-	455,024	455,024	471,756
Bond Fund Earnings	-	61,244	61,244	93,444
Capitalized Interest	-	42,642	42,642	-

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

**WALKER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2000**

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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, 2000**

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*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, 2000**

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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.

The capital project funds have a project length budget, which was adopted when voters approved the SPLOST referendum. This budget is prepared for the projected total SPLOST tax revenues and capital outlays.

**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

**WALKER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2000**

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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

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.

**WALKER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000**

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**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 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, 2000**

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**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	December 17, 1999
Due date	February 28, 2000

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, 2000, within the County's Agency Fund are composed of the following:

<u>Year of Levy :</u>	
1999	\$992,710
1998	569,318
1997	213,595
1996	35,169
Before 1996	<u>287,847</u>
Total property taxes receivable	2,098,639
Less allowance for uncollectibles	<u>(251,837)</u>
	<u>\$ 1,846,802</u>

**Note – 5. CASH AND INVESTMENTS**

**Primary Government:**

At year-end, the book balance of the County's deposits was \$13,248,984 and the bank balance was \$13,844,001. Of the bank balance, \$678,782 was covered by federal depository insurance and \$13,165,219 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 statutes 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

**WALKER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000**

- 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 \$3,272,750 and the bank balance was \$3,337,692. The bank balance is categorized as follows:

Amount insured by the FDIC	\$ 317,004
Amount collateralized by U.S. Treasury Securities pledged to the Authority but not in the Authority's name	<u>2,955,746</u>
Total bank balance	<u>\$ 3,272,750</u>

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**Note - 6. DUE TO/FROM OTHER FUNDS**

As of September 30, 2000, interfund receivables and payables resulting from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 305,812	\$ -
Agency Funds:		
Tax Commissioner	-	58,930
Clerk of Courts	-	97,328
Probate Judge	-	3,076
Magistrate Court	-	11,791
Special Revenue Funds:		
Fire Protection	-	-
Capital Projects		
Bond Projects	1,258,065	134,687
SPLOST Project	<u>-</u>	<u>1,258,065</u>
<b>TOTAL</b>	<u>\$ 1,563,877</u> ✓	<u>\$ 1,563,877</u> ✓

**Note - 7. FIXED ASSETS**

Activity in the general fixed assets account group for the fiscal year ended September 30, 2000, was as follows:

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

	Balance <u>October 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>September 30, 2000</u>
Land	\$ 590,401	\$ -0-	\$ -0-	\$ 590,401
Land Improvement	180,025	-0-	-0-	180,025
Building	9,767,944	-0-	-0-	9,767,944
Building Improvements	758,046	208,189	-0-	966,235

**WALKER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000**

Infrastructure	-0-	468,239	-0-	468,239
Equipment & Vehicles	11,214,103	637,475	-0-	11,851,578
Furniture and Fixtures	131,821	180,110	-0-	311,931
Construction in Progress:				
Bond Projects	1,761,198	5,859,017	-0-	7,620,215
SPLOST Projects	1,679,319	1,513,605	-0-	3,192,924
General – Fire Dep't.	-0-	-0-	-0-	-0-
	<u>\$ 26,082,857</u> ✓	<u>\$ 8,866,635</u>	<u>\$ -0-</u>	<u>\$ 34,949,492</u> ✓

**Schedule of General Fixed Assets by Source  
September 30, 2000**

	Balance October 1, 1999	Additions	Deletions	Balance September 30, 2000
General Fund	\$ 16,614,938	\$ 1,249,013	\$ -0-	\$ 17,863,951
SPLOST	1,679,319	1,513,605	-0-	3,192,924
Capital Leases	6,027,402	245,000	-0-	6,272,402
Bonds	<u>1,761,198</u>	<u>5,859,017</u>	<u>-0-</u>	<u>7,620,215</u>
Total General Fixed Assets	<u>\$ 26,082,857</u>	<u>\$ 8,866,635</u>	<u>\$ -0-</u>	<u>\$ 34,949,492</u>

The County's Financial Statements are qualified due to the lack of a system to correctly record the receipt and deletion of fixed assets. The County has not maintained an auditable fixed asset schedule since 1984.

**Component Unit – Water and Sewerage Authority**

Property and Equipment consist of the following:

	2000	1999
Land	\$ 155,109	\$ 155,109
Land Improvement	38,038	38,038
Buildings	406,571	406,571
Water System	8,584,401	8,346,919
Water Treatment Plant	5,067,801	5,067,801
Industrial Water Line	339,137	339,137
Wastewater Treatment Plant	2,618,280	2,618,280
Sewerage System	15,846,602	15,846,602
Trucks and Tractors	312,825	296,975
Equipment	329,898	302,494
Office Equipment	134,907	129,957
Construction in Progress	<u>221,092</u>	<u>80,788</u>
	34,054,661	33,628,671
Less Accumulated Depreciation and Amortization	<u>(10,566,588)</u>	<u>(9,761,307)</u>
Total	<u>\$ 23,488,073</u>	<u>\$ 23,867,364</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

**WALKER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2000**

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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 related tax-exempt borrowing. During 2000, no interest costs were capitalized. Deprecation 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 one (201) 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 2000 has decreased as a percentage of covered payroll from 9.60% in 1999 to 9.47% in 2000. The normal cost for the Sheriff's Plan for 2000 has remained at 7.21%. The unfunded actuarial accrued liability is amortized over 30 years from 1-1-92. These amortization periods, if applicable, are closed for this plan year.

The contributions to the plans during the year ended December 31, 1999 was \$522,290 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 \$5,028,457 based upon the actuarial valuation of January 1, 2000.

**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



**WALKER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000**

Commissioners Plan:

**Three-Year Trend Information**

Fiscal Year Ending	Employer Annual Pension Cost ( APC)	Annual Contribution	Percentage Of APC Contributed	Net (EOY) Pension Obligation
December 31, 1996	\$ 196,768	\$ 249,507	100%	\$ 0
December 31, 1997	255,529	281,000	109%	0
December 31, 1998	276,979	353,317	128%	0
December 31, 1999	298,233	313,739	105%	0

Sheriff's Plan:

**Three-Year Trend Information**

Fiscal Year Ending	Employer Annual Pension Cost ( APC)	Annual Contribution	Percentage Of APC Contributed	Net (EOY) Pension Obligation
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
December 31, 1999	150,525	155,464	103%	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%
2000	1,632,280	2,288,428	(656,148)	71.3%	2,814,684	23.3%

**WALKER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000**

Sheriff's Plan:

**Schedule of Funding Progress**

Actuarial Valuation For Plan Year Beginning <u>1/1</u>	(1) Actuarial Value Of Assets	(2) Actuarial Accrued Liability Frozen Entry Age Cost Method	(3) Unfunded Actuarial Accrued Liability <u>(2) - (1)</u>	(4) Funded Ratio <u>(1) / (2)</u>	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as % Of Covered Payroll <u>(3) / (5)</u>
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	1,075,646	(26,863)	97.5%	2,028,938	1.3%
2000	1,235,246	1,265,051	(29,805)	97.6%	2,213,773	1.4%

**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:

Rate of return on investment	7.5% per year
Rate of return on investment – net	6.2% per year
Projected salary and inflation 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, 2000, the current plan membership includes the following categories of participants:

Commissioner's Plan:

- Retirees and beneficiaries currently receiving benefits	6
- Terminated employees entitled to benefits but not yet receiving them	7
- Active participants	<u>110</u>
- Total	<u>123</u>

**WALKER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000**

*Sheriff's Plan:*

- Retirees and beneficiaries currently receiving benefits	3
- Terminated employees entitled to benefits but not yet receiving them	7
- Active participants	<u>81</u>
- Total	<u>91</u>

**NOTE – 9. LONG-TERM DEBT**

The following is a summary of the County's long-term debt transactions for the year ended September 30, 2000:

	Balances <u>October 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	Balances <u>September 30, 2000</u>
<b>Governmental Funds:</b>				
Capitalized Leases	\$ 5,193,141 ✓	\$ 245,000 ✓	\$ 496,410	\$ 4,941,731 ✓
Bonds Payable	<u>7,790,000 ✓</u>	<u>-</u>	<u>1,980,000</u>	<u>5,810,000 ✓</u>
Total Governmental	<u>\$ 12,983,141 ✓</u>	<u>\$ 245,000</u>	<u>\$ 2,476,410</u>	<u>\$ 10,751,731 ✓</u>
 Estimated Landfill Obscure Cost	 <u>\$ 2,464,168 ✓</u>	 <u>\$ 73,824</u>	 <u>\$ 51,694</u>	 <u>\$ 2,486,298 ✓</u>

Debt outstanding as of September 30, 2000 is composed of the following:

	Interest <u>Rate</u>	Date of <u>Issue</u>	Date of <u>Last Payment</u>	Amount <u>Issued</u>	Amount <u>Outstanding</u>
<b>Capital Leases:</b>					
Sheriff - Vehicles	5.65%	03/16/2000	03/16/2002	\$ 245,000	\$ 159,130
Commissioner – DFACS Building	5.50%	12/01/1995	09/01/2011	3,562,705	3,072,484
Fire - Fire Trucks	5.25%	11/19/1996	01/01/2007	2,199,943	1,651,671
Landfill – Grader	5.70%	09/30/1997	08/30/2004	96,581	<u>58,446</u>
Total Leases					<u>\$ 4,941,731</u>
 <b>General Obligation Bonds:</b>					
1998 Bonds	3.75-4.10%	07/01/1998	08/01/2001	\$ 4,800,000	\$ 910,000
1999 Bonds	4.10-4.30%	01/01/1999	08/01/2003	4,900,000	<u>4,900,000</u>
Total Bonds					<u>\$ 5,810,000</u>

**WALKER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2000**

The future minimum lease obligations as of September 30, 2000, were as follows:

To General Long Term Debt					
Year Ending September 30	Vehicles	Fire Trucks	Buildings	Grader	Total
2001	\$ 86,370	\$ 287,271	\$ 319,381	\$ 16,686	\$ 709,708
2002	86,370	287,271	329,383	16,686	719,710
2003	-	287,271	339,684	16,686	643,641
2004	-	287,271	357,295	15,296	659,862
2005	-	287,271	368,224	-	655,495
Thereafter	-	574,490	2,401,914	-	2,976,404
<b>Total Minimum Lease</b>	<b>172,740</b>	<b>2,010,845</b>	<b>4,115,881</b>	<b>65,354</b>	<b>6,364,820</b>
<b>Less: Interest</b>	<b>(13,610)</b>	<b>(359,174)</b>	<b>(1,043,397)</b>	<b>(6,908)</b>	<b>(1,423,089)</b>
 <b>Present Value of Minimum Lease Payments</b>	 <b>\$ 159,130</b>	 <b>\$ 1,651,671</b>	 <b>\$ 3,072,484</b>	 <b>\$ 58,446</b>	 <b>\$ 4,941,731</b> ✓

The annual requirement to amortize all bonded indebtedness outstanding as of September 30, 2000, including interest payable of \$511,835, are as follows:

September 30	General Obligation Bonds		Interest Combined	Total
	Principal 1998 Bonds	Principal 1999 Bonds		
2001	\$ 910,000	\$ 790,000	\$ 245,810	\$ 1,945,810
2002	-	2,010,000	175,725	2,185,725
2003	-	2,100,000	90,300	2,190,300
	<b>910,000</b>	<b>4,900,000</b>		
<b>5,810,000</b>				

**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 was permitted in 2000. Financing for continued expansion will be provided by 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, 2000, the counties have not been required to pay any monies to the Hospital Authority.

**WALKER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2000**

**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%.	\$ 7,841,577 ✓
Less – Deferred Bond Refunding Costs	<u>(125,415)</u>
Total	<u>\$ 7,499,585</u> ✓

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

	Bonds
Debt outstanding – Beginning	\$ 7,841,577 ✓
Retirements	(360,000)
Amortized Deferred Bond Refund Cost	<u>18,008</u>
Debt Outstanding – Ending	<u>\$ 7,499,585</u>
Current Portion	\$ 380,000
Long Term Portion	<u>-</u>
	<u>\$ 7,119,585</u>

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

Revenue Bonds			
Date of Maturity	Principal	Interest	Total
2001	\$ 0,000	\$ 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	460,000	352,599	812,599
2006-2014	<u>5,535,000</u>	<u>1,795,034</u>	<u>7,330,034</u>
	<u>\$ 7,625,000</u> ✓	<u>\$ 3,775,719</u>	<u>\$ 11,400,719</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

**WALKER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000**

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, 2000 and 1999, \$2,170,000 and \$2,405,000 of bonds outstanding are considered defeased.

**NOTE – 10. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

As of September 30, 2000, 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	\$ 300,000	2001
Landfill Expansion	4,186,407	2002

**NOTE – 11. FUND EQUITY – FUND BALANCES.**

Reserves are used to indicate that a portion of the fund balance or retained earnings is not appropriate for expenditure or is legally segregated for a specific future use. The following reserves are used by the County and its component unit:

**Primary Government**

General Special Revenue and Capital Projects:

Reserve for completion of projects – Restricted for projects financed by general obligation bond proceeds and special purpose local option sales tax projects.

Reserve for landfill - Restricted for the current portion of anticipated closure costs.

Reserve for special revenue funds - Restricted for law enforcement and library purposes.

Trust and Agency Funds:

Reserve for employee's pension benefits - Restricted for payment of retirement benefits.

**Reserved Portion All Funds**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital</u>	<u>Trust</u>
Balance September 30, 1999	\$ 139,800 ✓	\$ (94,949) ✓	\$ 11,349,051 ✓	\$ 2,309,409
Increase (Decrease)	(88,005)	161,036	(5,188,360)	558,117
Balance September 30, 2000	<u>\$ 51,795</u>	<u>\$ 66,087</u>	<u>\$ 6,160,691</u>	<u>\$ 2,867,526</u>

**NOTE-12 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

**WALKER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000**

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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 – 13. CONTINGENT LIABILITIES**

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 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 – 14. 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 – 15. SUBSEQUENT EVENTS**

None noted.

**NOTE – 16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Expenditures exceeded appropriations in the following General Fund departments:

General Government	\$90,012
Judicial:	
Clerk of Court	109,904
Superior Court	48,891
Juvenile Court	24,458
Other	14,098
Public Safety	27,630
Solid Waste	108,518
Civic Center	20,159
Health and Welfare	91,766
Employee Benefits	159,450
Capital Expenditures	1,000,260

**WALKER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000**

Debt Service	76,361
Sheriff	26,523

The fund balance in the Walker County General Fund was \$4,000,091 for the year ended September 30, 2000. Revenues decreased \$1,363,208 from the previous year and expenditures decreased \$135,663 from the previous year.

**NOTE- 17. RESTATEMENTS**

After the close of the previous fiscal year, September 30, 1999, prior expenses in the capital projects fund were discovered and information related to the two new special revenue funds became available.

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

	Capital Project	Special Revenue
1999 Fund Balance as Previously Reported	\$ 11,349,051	\$ (94,949)
Information Unavailable Prior Year	(161,360)	34,274
Beginning Fund Balance Restated	\$ 11,187,691	\$ (60,675)

**NOTE-18. 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- 19. 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**

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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.

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**WALKER COUNTY, GEORGIA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2000 AND 1999**

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Cash and cash equivalents	\$ 1,371,131	\$ 2,808,208
Restricted cash	117,113	113,867
Accrued interest	26,073	23,559
Due from other governments	2,354,905	2,229,576
Due from other funds	305,812	413,905
Taxes receivable	27,838	30,319
Other receivable - net	505,731	628,538
Prepaid expenses	38,231	-
 Total assets	 <u>\$ 4,746,834</u>	 <u>\$ 6,247,972</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 726,842	\$ 949,462
Due to other governments	-	91,950
Due to other funds	-	168,963
Deferred revenue	19,901	6,521
 Total liabilities	 <u>746,743</u>	 <u>1,216,896</u>
Fund balances:		
Reserved for landfill closure and postclosure care costs	51,795	139,800
Unreserved, undesignated	3,948,296	4,891,276
 Total fund balances	 <u>4,000,091</u>	 <u>5,031,076</u>
 Total liabilities and fund balances	 <u>\$ 4,746,834</u>	 <u>\$ 6,247,972</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 September 30, 2000 and 1999**

	2000	1999
<b>REVENUE</b>		
Property Taxes	\$ 3,072,696	\$ 3,792,582
Other Taxes	6,264,729	7,348,834
Licenses and Permits	77,544	85,492
Charges for Services	2,039,340	1,571,501
Intergovernmental Revenue	1,334,558	1,524,466
Fees From County Officials	1,514,743	1,337,326
Interest Earned	335,090	118,226
Other Revenues	300,802	524,283
 Total Revenues	 14,939,502	 16,302,710
<b>EXPENDITURES</b>		
General Government	1,900,336	2,805,036
Judicial	1,966,089	1,830,760
Sheriff	3,534,347	3,364,881
Public Safety	237,020	204,722
Public Works	3,450,849	4,324,367
Culture and Recreation	126,632	113,482
Health and Welfare	666,776	595,409
Unallocated Expenditures	1,430,950	1,207,643
Other Programs	572,372	630,361
Capital Expenditures	1,494,013	469,132
Debt Service:		
Principal	304,969	254,495
Interest	175,887	195,615
 Total Expenditures	 15,860,240	 15,995,903
 Excess (deficiency) of Revenues over Expenditures	 (920,738)	 306,807
<b>Other Financing Sources (uses):</b>		
Operating transfer - out	(355,247)	(219,933)
Proceeds from Capital Lease	245,000	433
Total Other Financing Sources (uses)	(110,247)	(219,500)
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures	 (1,030,985)	 87,307
 Fund Balance - October 1	 5,031,076	 4,887,544
Prior Period Adjustment	-	4,254
Fund Balance as Restated	5,031,076	4,891,798
Residual Equity Transfer-in	-	51,971
Fund Balance - September 30	\$ 4,000,091	\$ 5,031,076

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, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>PROPERTY TAXES</b>	\$ 3,496,587	\$ 3,072,696	\$ (423,891)
<b>OTHER TAXES</b>			
Local Option Sales Tax	3,613,000	3,613,429	429
Cable Franchise Tax	128,000	135,365	7,365
Develop Auth-Lieu of Tax	318,000	205,672	(112,328)
Insurance Premium Tax	1,718,000	1,718,074	74
Real Estate Transfer Tax	40,000	39,229	(771)
Intangible Taxes	230,000	215,865	(14,135)
Beer & Wine Tax Receipts	325,000	337,095	12,095
Other	-	-	-
	<u>6,372,000</u>	<u>6,264,729</u>	<u>(107,271)</u>
<b>LICENSES AND PERMITS</b>			
Occupational Tax	38,000	38,119	119
Building Permits	21,925	21,925	-
Mobile Home Permits	9,000	8,650	(350)
Beer & Wine Licenses	4,450	8,850	4,400
Miscellaneous	10,800	-	(10,800)
	<u>84,175</u>	<u>77,544</u>	<u>(6,631)</u>
<b>CHARGES FOR SERVICES</b>			
Maps & Copies	4,550	5,207	657
Meals On Wheels Contract	-	5,850	5,850
Election Fees	13,175	14,436	1,261
Reimbursed DA Expenses	214,151	178,675	(35,476)
Serve Civil Process Paper	9,000	8,206	(794)
Rent	352,500	331,768	(20,732)
Civic Center	28,000	23,460	(4,540)
Animal Shelter Receipt	5,700	6,880	1,180
Landfill Receipts	967,000	1,464,858	497,858
Miscellaneous	3,045	-	(3,045)
	<u>1,597,121</u>	<u>2,039,340</u>	<u>442,219</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, 2000

(Continued)	Budget	Actual	Variance Favorable (Unfavorable)
<b>INTERGOVERNMENTAL</b>			
Department of Community Affairs	8,000	81,670	73,670
Department of Transportation	600,000	607,558	7,558
Food Stamp Program	6,000	-	(6,000)
Juvenile Court	5,000	5,000	-
Transit Operating	50,000	-	(50,000)
Georgia Emergency Management	-	169,791	169,791
Department Natural Resources	4,000	1,509	(2,491)
Criminal History Grant	71,000	-	(71,000)
DARE Grants	4,088	3,314	(774)
COPS Grants	105,000	37,693	(67,307)
Domestic violence	15,020	4,050	(10,970)
Task Force	258,000	253,794	(4,206)
Soil Conservation	6,800	6,123	(677)
Family Connection	50,000	36,602	(13,398)
Other	160,375	127,454	(32,921)
School Resource Grant	14,500	-	(14,500)
Total Intergovernmental	1,357,783	1,334,558	(23,225)

(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, 2000**

(Continued)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>FEES FROM COUNTY OFFICES</b>			
Magistrate	83,100	112,061	28,961
Clerk of Court	1,570,000	1,321,663	(248,337)
Probate Judge	36,500	39,148	2,648
Sheriff	<u>27,000</u>	<u>41,871</u>	<u>14,871</u>
	<u>1,716,600</u>	<u>1,514,743</u>	<u>(201,857)</u>
<b>INVESTMENT EARNINGS</b>			
Interest	<u>288,000</u>	<u>335,090</u>	<u>47,090</u>
<b>OTHER REVENUES</b>			
Donations	-	26,417	26,417
Sale of Assets	2,700	-	(2,700)
Jail Improvements	70,000	62,941	(7,059)
Drug Awareness	25,000	31,830	6,830
Sheriff	151,300	131,453	(19,847)
Insurance Claims	-	-	-
Miscellaneous	<u>99,230</u>	<u>48,161</u>	<u>(51,069)</u>
	<u>348,230</u>	<u>300,802</u>	<u>(47,428)</u>
<b>Total Revenues</b>	<b><u>\$ 15,260,496</u></b>	<b><u>\$ 14,939,502</u></b>	<b><u>\$ (320,994)</u></b>

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, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>CURRENT EXPENDITURES</b>			
General Government:			
County Commissioner	\$ 478,143	\$ 598,068	\$ (119,925)
Tax Commissioner	342,118	343,369	(1,251)
Tax assessors	274,480	345,889	(71,409)
Board of Registrars	99,527	135,122	(35,595)
Planning	87,566	77,051	10,515
Grants:			
Speed Grant	160,375	86,879	73,496
Dare Grant	4,088	1,358	2,730
Domestic Violence Grant	20,027	22,885	(2,858)
Task Force	344,000	250,028	93,972
Community Center	-	39,687	(39,687)
Total General Government	<u>1,810,324</u>	<u>1,900,336</u>	<u>(90,012)</u>
<b>JUDICIAL</b>			
Superior Court	236,017	284,908	(48,891)
Clerk of Court	337,901	447,805	(109,904)
State Court	164,245	169,665	(5,420)
Magistrate Court	159,572	165,040	(5,468)
Juvenile Court	174,257	198,715	(24,458)
Coroner	40,611	39,511	1,100
Court Reporter	45,017	43,714	1,303
Probate Court	130,982	139,096	(8,114)
Bailiff	5,445	6,038	(593)
District Attorney	348,084	346,328	1,756
Probation Officers	13,200	15,021	(1,821)
State Solicitor	113,407	110,248	3,159
Total Judicial	<u>1,768,738</u>	<u>1,966,089</u>	<u>(197,351)</u>
<b>SHERIFF</b>	<u>3,507,824</u>	<u>3,534,347</u>	<u>(26,523)</u>
<b>PUBLIC SAFETY</b>			
County Police	138,166	144,722	(6,556)
Animal and Rabies Control	71,224	92,298	(21,074)
Total Public Safety	<u>209,390</u>	<u>237,020</u>	<u>(27,630)</u>
<b>PUBLIC WORKS</b>			
Roads and Street	1,822,236	1,788,324	33,912
Solid Waste and Landfill	1,554,007	1,662,525	(108,518)
Total Public Works	<u>3,376,243</u>	<u>3,450,849</u>	<u>(74,606)</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, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)
(Continued)			
<b>CULTURE AND RECREATION</b>			
County agents	60,186	52,131	8,055
Civic Center	54,342	74,501	(20,159)
Total Culture and Recreation	<u>114,528</u>	<u>126,632</u>	<u>(12,104)</u>
<b>HEALTH AND WELFARE</b>			
Family Connection	50,000	48,978	1,022
County Foodstamp Program	12,700	13,982	(1,282)
Support Agencies	-	37,548	(37,548)
Mosquito Control	8,910	9,905	(995)
County Health Department	255,400	234,615	20,785
Miscellaneous	84,000	88,669	(4,669)
Transportation	49,000	50,726	(1,726)
Meals on Wheels	-	22,301	(22,301)
Ambulance Service	115,000	160,052	(45,052)
Total Health and Welfare	<u>575,010</u>	<u>666,776</u>	<u>(91,766)</u>
<b>EMPLOYEE BENEFITS</b>			
Liability Insurance	148,000	103,268	44,732
Group Health	442,000	528,765	(86,765)
Life Insurance	22,500	16,763	5,737
Retirement	452,000	528,325	(76,325)
Dental Insurance	24,000	11,582	12,418
Worker's Compensation Insurance	132,000	128,681	3,319
Other	51,000	113,566	(62,566)
Total Unallocated	<u>1,271,500</u>	<u>1,430,950</u>	<u>(159,450)</u>
<b>OTHER PROGRAMS AND SERVICES</b>			
County Buildings	233,924	244,652	(10,728)
Records Department	48,847	44,685	4,162
Fire Protection	6,200	6,027	173
Malt Beverage Board	8,000	8,100	(100)
Library Appropriation	160,500	116,000	44,500
Board of Equalization	45,400	-	45,400
Coosa Regional Development	48,400	-	48,400
Development Authority	154,000	152,908	1,092
Total Other Programs and Services	<u>705,271</u>	<u>572,372</u>	<u>132,899</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, 2000**

(Continued)	Budget	Actual	Variance Favorable (Unfavorable)
<b>CAPITAL EXPENSES</b>			
Tax Commissioner	-	10,500	(10,500)
Planning	-	14,350	(14,350)
Probate	-	925	(925)
Commissioner	150,000	51,978	98,022
Infrastructure	-	468,239	(468,239)
Tax Assessor	500	6,209	(5,709)
County Agent	-	961	(961)
Family Connection	-	1,268	(1,268)
Sheriff - Operations	335,500	424,172	(88,672)
Sheriff - Grants	71,000	43,294	27,706
Clerk of Courts	-	7,773	(7,773)
Juvenile Court	4,000	2,995	1,005
Magistrate	4,000	-	
Street and Road	5,000	215,082	(210,082)
Animal Control	-	34,527	(34,527)
Records Department	-	23,045	(23,045)
County Buildings	-	184,891	(184,891)
Civic Center	-	3,804	(3,804)
Total Capital Expenses	<u>570,000</u>	<u>1,494,013</u>	<u>(1,000,260)</u>
<b>DEBT SERVICE</b>			
Principal	404,495	304,969	99,526
Interest	-	175,887	(175,887)
Total Debt Service	<u>404,495</u>	<u>480,856</u>	<u>(76,361)</u>
Total Expenditures	<u>\$ 14,313,323</u>	<u>\$ 15,860,240</u>	<u>\$ (1,623,164)</u>

The accompanying notes are an integral part of this statement.

## **SPECIAL REVENUE FUNDS**

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

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Court Supervision - This fund is used to account for "add-on" fees collected on fines. The fund is restricted to supervision costs associated with Juvenile offenders.

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.

Law Library – This fund is used to account for "add-on" fees collected on fines by various departments. The fund is restricted to the maintenance and upkeep of the County Law Library.

WALKER COUNTY, GEORGIA  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 AS OF SEPTEMBER 30, 2000  
 (WITH COMPARATIVE TOTALS FOR 1999)

	Court Supervision	Emergency 911	Fire and Rescue	Law Library	Totals (Memorandum only)	
					2000	1999
<b>ASSETS</b>						
Cash	\$ 12,504	\$ -	\$ 30,140	\$ 23,443	\$ 66,087	\$ 11,609
Due from other funds	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Total assets	<u>\$ 12,504</u>	<u>\$ -</u>	<u>\$ 30,140</u>	<u>\$ 23,443</u>	<u>\$ 66,087</u> ✓	<u>\$ 11,609</u>
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities						
Due to general fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,558
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,558</u>
Fund Balance						
Unreserved	-	-	-	-	-	-
Designated for specific purposes	12,504	-	30,140	23,443	66,087	(94,949) ✓
Total fund balance	<u>12,504</u>	<u>-</u>	<u>30,140</u>	<u>23,443</u>	<u>66,087</u>	<u>(94,949)</u>
Total liabilities and fund balance	<u>\$ 12,504</u>	<u>\$ -</u>	<u>\$ 30,140</u>	<u>\$ 23,443</u>	<u>\$ 66,087</u>	<u>\$ 11,609</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, 2000**  
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1999)

	<u>Court Supervision</u>	<u>Emergency 911</u>	<u>Fire and Rescue</u>	<u>Law Library</u>	<u>Totals (Memorandum only)</u>	
					<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>						
Fees	\$ 11,368	\$ 524,316	\$ -	\$ 55,687	\$ 591,371	\$ 484,959
Charges for services	-	-	681,381	-	681,381	590,119
Interest	178	-	2,785	1,025	3,988	3,508
Miscellaneous	-	-	-	-	-	454
<b>Total revenues</b>	<u>11,546</u>	<u>524,316</u>	<u>684,166</u>	<u>56,712</u>	<u>1,276,740</u>	<u>1,079,040</u>
<b>EXPENDITURES:</b>						
Public safety						
Personal services	-	525,761	108,848	7,200	641,809	591,261
Communications	-	65,495	18,890	-	84,385	63,845
Supplies	-	4,894	25,021	58,619	88,534	28,701
Maintenance and repairs	-	73,200	46,085	-	119,285	141,713
Utilities	-	5,214	48,039	62	53,315	40,184
Other	704	16,851	145,749	-	163,304	141,002
Capital outlays	-	4,500	62,812	-	67,312	99,945
Debt service:	-	-	-	-	-	-
Principal	-	-	191,941	-	191,941	182,504
Interest	-	-	95,340	-	95,340	104,767
<b>Total Expenditures</b>	<u>704</u>	<u>695,915</u>	<u>742,725</u>	<u>65,881</u>	<u>1,505,225</u>	<u>1,393,922</u>
Excess (deficiency) of revenues over (under) expenditures	10,842	(171,599)	(58,559)	(9,169)	(228,485)	(314,882)
<b>Other Financing source:</b>						
Operating transfer in	-	171,599	183,648	-	355,247	219,933
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>10,842</u>	<u>-</u>	<u>125,089</u>	<u>(9,169)</u>	<u>126,762</u>	<u>(94,949)</u>
Fund balance - October 1	-	-	(94,949)	-	(94,949)	-
Prior period adjustment	<u>1,662</u>	<u>-</u>	<u>-</u>	<u>32,612</u>	<u>34,274</u>	<u>-</u>
Fund balance - October 1 (as restated)	<u>1,662</u>	<u>-</u>	<u>(94,949)</u>	<u>32,612</u>	<u>(60,675)</u>	<u>-</u>
Fund balance - September 30	<u>\$ 12,504</u>	<u>\$ -</u>	<u>\$ 30,140</u>	<u>\$ 23,443</u>	<u>\$ 66,087</u>	<u>\$ (94,949)</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, 2000

	Court Supervision			Emergency 911		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Fees	\$ -	\$ 11,368	\$ 11,368	\$ 454,000	\$ 524,316	\$ 70,316
Charges for services	-	-	-	-	-	-
Interest	-	178	178	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	-	11,546	11,546	454,000	524,316	70,316
<b>EXPENDITURES:</b>						
Public safety						
Personal services	-	-	-	522,043	525,761	(3,718)
Communications	-	-	-	54,500	65,495	(10,995)
Supplies	-	-	-	8,750	4,894	3,856
Maintenance and repairs	-	-	-	65,600	73,200	(7,600)
Utilities	-	-	-	-	5,214	(5,214)
Other	-	704	(704)	10,000	16,851	(6,851)
Capital outlays	-	-	-	-	4,500	(4,500)
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	-	704	(704)	660,893	695,915	(35,022)
Excess (deficiency) of revenues over (under) expenditures	-	10,842	10,842	(206,893)	(171,599)	(35,294)
<b>Other Financing source:</b>						
Operating transfer in	-	-	-	206,893	171,599	35,294
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	10,842	\$ (10,842)	\$ -	-	\$ -
Fund balance - October 1		-			-	
Prior period adjustment		1,662			-	
Fund balance - October 1 (as restated)		1,662			-	
Fund balance - September 30		\$ 12,504			\$ -	

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, 2000

	Fire and Rescue			Law Library		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Fees	\$ -	\$ -	\$ -	\$ -	\$ 55,687	\$ 55,687
Charges for services	670,000	681,381	11,381	-	-	-
Interest	-	2,785	2,785	-	1,025	1,025
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<b>670,000</b>	<b>684,166</b>	<b>14,166</b>	<b>-</b>	<b>\$ 56,712</b>	<b>56,712</b>
<b>EXPENDITURES:</b>						
Public safety						
Personal services	89,889	108,848	(18,959)	-	7,200	(7,200)
Communications	12,000	18,890	(6,890)	-	-	-
Supplies	47,000	25,021	21,979	-	58,619	(58,619)
Maintenance and repairs	50,750	46,085	4,665	-	-	-
Utilities	35,000	48,039	(13,039)	-	-	-
Other	89,700	145,749	(56,049)	-	62	(62)
Capital outlays	-	62,812	(62,812)	-	-	-
Debt service:						
Principal	191,941	191,941	-	-	-	-
Interest	95,330	95,340	(10)	-	-	-
<b>Total Expenditures</b>	<b>611,610</b>	<b>742,725</b>	<b>131,115</b>	<b>-</b>	<b>65,881</b>	<b>(65,881)</b>
Excess (deficiency) of revenues over (under) expenditures	58,390	(58,559)	(116,949)	-	(9,169)	(9,169)
<b>Other Financing source:</b>						
Operating transfer in	-	183,648	183,648	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 58,390	125,089	\$ 66,699	\$ -	(9,169)	\$ (9,169)
Fund balance - October 1		(94,949)			-	
Prior period adjustment		-			32,612	
Fund balance - October 1 (as restated)		(94,949)			32,612	
Fund balance - September 30		\$ 30,140			\$ 23,443	

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, 2000

	Total (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Fees	\$ 454,000	\$ 591,371	\$ 137,371
Charges for services	670,000	681,381	11,381
Interest	-	3,988	3,988
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>1,124,000</u>	<u>\$ 1,276,740</u>	<u>152,740</u>
<b>EXPENDITURES:</b>			
Public safety			
Personal services	611,932	641,809	(29,877)
Communications	66,500	84,385	(17,885)
Supplies	55,750	88,534	(32,784)
Maintenance and repairs	116,350	119,285	(2,935)
Utilities	35,000	53,253	(18,253)
Other	99,700	163,366	(63,666)
Capital outlays	-	67,312	(67,312)
Debt service:			
Principal	191,941	191,941	-
Interest	95,330	95,340	(10)
<b>Total Expenditures</b>	<u>1,272,503</u>	<u>1,505,225</u>	<u>232,722</u>
Excess (deficiency) of revenues over (under) expenditures	(148,503)	(228,485)	(79,982)
<b>Other Financing source:</b>			
Operating transfer in	206,893	355,247	148,354
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 58,390</u>	<u>126,762</u>	<u>\$ 68,372</u>
Fund balance - October 1		(94,949)	
Prior period adjustment		34,274	
Fund balance - October 1 (as restated)		(60,675)	
Fund balance - September 30		<u>\$ 66,087</u>	

The accompanying notes are an integral part of this statement.

## **CAPITAL PROJECTS FUNDS**

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

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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, 2000 AND 1999**

	Bond Construction	Splost Construction	Totals (Memorandum Only)	
			2000	1999
<b>Assets</b>				
Cash and Cash Equivalents	\$ 3,385,441	\$ 2,083,976	\$ 5,469,417	\$ 11,138,736
Restricted Cash	311,716	-	311,716	
Interest Receivable	40,132	-	40,132	68,829
Due from Other Funds	1,258,065	-	1,258,065	
Due from Other Governments	<u>774,752</u>	<u>-</u>	<u>774,752</u>	<u>141,486</u>
Total Assets	<u>\$ 5,770,106</u>	<u>\$ 2,083,976</u>	<u>\$ 7,854,082</u> ✓	<u>\$ 11,349,051</u>
<b>Liabilities</b>				
Due to Other Funds	\$ 134,687	\$ 1,258,065	\$ 1,392,752	\$ -
Due to Other Governments	<u>300,639</u>	<u>-</u>	<u>300,639</u>	<u>-</u>
Total Liabilities	<u>435,326</u>	<u>1,258,065</u>	<u>1,693,391</u> ✓	<u>-</u>
<b>Fund Balance</b>				
Reserved for Completion of Projects	<u>5,334,780</u>	<u>825,911</u>	<u>6,160,691</u> /	<u>11,349,051</u>
Total Liabilites and Fund Balance	<u>\$ 5,770,106</u>	<u>\$ 2,083,976</u>	<u>\$ 7,854,082</u> /	<u>\$ 11,349,051</u>

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

**WALKER COUNTY, GEORGIA**  
**CAPITAL PROJECTS FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2000 AND 1999**

	Bond Construction	Splost Construction	Totals (Memorandum Only)	
			2000	1999
<b>Revenues</b>				
Splost Tax Revenue	\$ 4,197,479	\$ -	\$ 4,197,479	\$ 2,317,976
Interest Earned	453,135	59,403	512,538	432,276
Total Revenue	4,650,614	59,403	4,710,017	2,750,252
<b>Expenditures</b>				
Capital Outlays	5,859,017	1,513,605	7,372,622	1,370,006
Debt Service				
Principal Retirement	1,980,000	-	1,980,000	1,910,000
Interest and Fees	319,160	-	319,160	393,831
Other	6,794	58,441	65,235	6,054
Total Expenditures	8,164,971	1,572,046	9,737,017	3,679,891
Excess (deficiency) of Revenues Over Expenditures	(3,514,357)	(1,512,643)	(5,027,000)	(929,639)
<b>Other Financing Sources</b>				
Bond Proceeds	-	-	-	4,851,000
Excess (deficiency) of Revenues and Other Sources over Expenditures	(3,514,357)	(1,512,643)	(5,027,000)	3,921,361
Fund Balance - October 1	8,849,137	2,499,914	11,349,051	7,502,316
Prior Period Adjustment	-	(161,360)	(161,360)	(74,626)
Fund Balance - October 1 (as restated)	8,849,137	2,338,554	11,187,691	7,427,690
Fund Balance - September 30	\$ 5,334,780	\$ 825,911	\$ 6,160,691	\$ 11,349,051

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

**WALKER COUNTY, GEORGIA**  
**CAPITAL PROJECTS FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000**

	Bond Construction			SPLOST #2			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	\$ 18,750,000	\$ 4,197,479	\$ (14,552,521)	\$ 9,000,000	\$ -	\$ (9,000,000)	\$ 27,750,000	\$ 4,197,479	\$ (23,552,521)
SPLOST Tax Revenue	-	453,135	453,135	-	59,403	59,403	-	512,538	512,538
Interest Income	-	4,650,614	(14,099,386)	9,000,000	59,403	(8,940,597)	27,750,000	4,710,017	(23,039,983)
Total revenues	18,750,000	5,859,017	12,890,983	9,000,000	1,513,605	7,486,395	27,750,000	7,372,622	20,377,378
<b>Expenditures</b>	-	-	-	-	-	-	-	-	-
Capital outlays	-	1,980,000	(1,980,000)	-	-	-	-	1,980,000	(1,980,000)
Debt Service:	-	319,160	(319,160)	-	-	-	-	319,160	(319,160)
Principal	-	6,794	(6,794)	-	58,441	(58,441)	-	65,235	(65,235)
Interest	-	8,164,971	10,585,029	9,000,000	1,572,046	7,427,954	27,750,000	9,737,017	18,012,983
Other	-	-	-	-	-	-	-	-	-
Total expenditures	18,750,000	(3,514,357)	(3,514,357)	-	(1,512,643)	(1,512,643)	-	(5,027,000)	(5,027,000)
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other financing uses	\$ -	\$ (3,514,357)	\$ (3,514,357)	\$ -	\$ (1,512,643)	\$ (1,512,643)	\$ -	\$ (5,027,000)	\$ (5,027,000)
Fund balance - October 1	-	8,849,137	8,849,137	-	2,499,914	2,499,914	-	11,349,051	11,349,051
Prior Period Adjustment	-	-	-	-	(161,360)	(161,360)	-	(161,360)	(161,360)
Fund Balance - October 1 (Restated)	-	8,849,137	8,849,137	-	2,338,554	2,338,554	-	11,187,691	11,187,691
Fund balance - September 30	\$ -	\$ 5,334,780	\$ 5,334,780	\$ -	\$ 825,911	\$ 825,911	\$ -	\$ 6,160,691	\$ 6,160,691

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

## **INTERNAL SERVICE FUND**

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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.

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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 BALANCE SHEETS**  
**SEPTEMBER 30, 2000 AND 1999**

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	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash	\$ 19,756	\$ 20,208
Total assets	<u>\$ 19,756</u>	<u>\$ 20,208</u>
 <b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Accounts payable	\$ 5,180	\$ 4,603
Equity:		
Retained earnings	<u>14,576</u>	<u>15,605</u>
Total liabilities and equity	<u>\$ 19,756</u>	<u>\$ 20,208</u>

The accompanying notes are an integral part of this statement.

**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, 2000 AND 1999**

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	2000	1999
<b>REVENUES:</b>		
Charges for services	\$ 55,935	\$ 75,590
 <b>OPERATING EXPENSES:</b>		
Claims paid	56,964	66,857
Net income (loss)	(1,029)	8,733
Retained earnings - October 1	15,605	58,843
Residual equity transfer - out	-	(51,971)
Fund balance - September 30	\$ 14,576	\$ 15,605

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, 2000 AND 1999**

	2000	1999
<b>Cash Flows from operating activities</b>		
Cash received from users	\$ 55,935	\$ 75,590
Cash paid for claims	<u>(56,387)</u>	<u>(62,254)</u>
Net Cash From Operating Activities	<u>(452)</u>	<u>13,336</u>
 <b>Cash Flows from noncapital financing activities</b>		
Transfers out to other funds	<u>-</u>	<u>(51,971)</u>
 Net Increase (Decrease) in Cash	(452)	(38,635)
 Cash Balance - January 1	<u>20,208</u>	<u>58,843</u>
 Cash Balance - December 31	<u>\$ 19,756</u>	<u>\$ 20,208</u>
 <b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	<u>\$ (1,029)</u>	<u>\$ 8,733</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Transfer to other Fund	-	(51,971)
Increase (decrease) in accounts payable	<u>577</u>	<u>4,603</u>
 Net cash provided by operating activities	<u>\$ (452)</u>	<u>\$ 13,336</u>

The accompanying notes are an integral part of this statement.

## TRUST AND AGENCY FUNDS

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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.

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### 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, 2000 AND 1999**

	AGENCY FUNDS				
	Tax Commissioner	Superior Court Clerk	Probate Judge	Magistrate Judge	Special Local Option Sales Tax
<b>Assets</b>					
Cash	\$ 576,986	\$ 420,508	\$ 7,280	\$ 27,657	\$ 1,993,807
Investments	-	-	-	-	-
Taxes Receivable (net of allowance for uncollectibles)	1,846,802	-	-	-	-
Due from General Fund	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,423,788</b>	<b>\$ 420,508</b>	<b>\$ 7,280</b>	<b>\$ 27,657</b>	<b>\$ 1,993,807</b>
<b>Liabilities</b>					
Due to Other Governments	\$ 2,364,858	\$ -	\$ -	\$ -	\$ 1,993,807
Due to General Fund	58,930	97,328	3,076	11,791	-
Due to Heirs, Litigants and Others	-	323,180	4,204	15,866	-
<b>Total Liabilities</b>	<b>2,423,788</b>	<b>420,508</b>	<b>7,280</b>	<b>27,657</b>	<b>1,993,807</b>
<b>Fund Balances</b>					
Unreserved - Designated for Specific Fund Purposes	-	-	-	-	-
Reserved for Retirement Benefits	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 2,423,788</b>	<b>\$ 420,508</b>	<b>\$ 7,280</b>	<b>\$ 27,657</b>	<b>\$ 1,993,807</b>

(Continued)

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET - TRUST AND AGENCY FUNDS**  
**SEPTEMBER 30, 2000 AND 1999**

(Continued)

EXPENDABLE TRUST FUNDS	Total (Memorandum Only)	
Pension Trust Fund	2000	1999
\$ 2,867,526	\$ 5,893,764	\$ 5,784,830
-	-	-
-	1,846,802	1,757,957
-	-	27,479
<u>\$ 2,867,526</u>	<u>\$ 7,740,566</u>	<u>\$ 7,570,266</u>
\$ -	\$ 4,358,665	\$ 4,542,304
-	171,125	307,349
-	343,250	411,204
-	<u>4,873,040</u>	<u>5,260,857</u>
-	-	-
<u>2,867,526</u>	<u>2,867,526</u>	<u>2,309,409</u>
<u>2,867,526</u>	<u>2,867,526</u>	<u>2,309,409</u>
<u>\$ 2,867,526</u>	<u>\$ 7,740,566</u>	<u>\$ 7,570,266</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, 2000

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
<b>Assets</b>				
Cash	\$ 425,592	\$ 17,712,572	\$ 17,561,178	\$ 576,986
Taxes Receivable	<u>1,757,957</u>	<u>746,078</u>	<u>657,233</u>	<u>1,846,802</u>
Total Assets	<u>\$ 2,183,549</u>	<u>\$ 18,458,650</u>	<u>\$ 18,218,411</u>	<u>\$ 2,423,788</u>
<b>Liabilities</b>				
Due to General Fund	\$ 293,531	\$ 3,985,655	\$ 4,220,256	58,930
Due to other Government	<u>1,890,018</u>	<u>14,472,995</u>	<u>13,998,155</u>	<u>2,364,858</u>
Total Liabilities	<u>\$ 2,183,549</u>	<u>\$ 18,458,650</u>	<u>\$ 18,218,411</u>	<u>\$ 2,423,788</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, 2000

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	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
<b>Assets</b>				
Cash	\$ 364,473	\$ 2,254,183	\$ 2,198,148	\$ 420,508
Due from General Fund	<u>27,479</u>	<u>-</u>	<u>27,479</u>	<u>-</u>
Total Assets	<u>\$ 391,952</u>	<u>\$ 2,254,183</u>	<u>\$ 2,225,627</u>	<u>\$ 420,508</u> /
<b>Liabilities</b>				
Due to General Fund	\$ -	\$ 1,227,764	\$ 1,130,436	\$ 97,328
Due to Heirs, Litigants and Others	<u>391,952</u>	<u>1,026,419</u>	<u>1,095,191</u>	<u>323,180</u>
Total Liabilities	<u>\$ 391,952</u>	<u>\$ 2,254,183</u>	<u>\$ 2,225,627</u>	<u>\$ 420,508</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, 2000

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
<b>Assets</b>				
Cash	\$ 8,030	\$ 56,351	\$ 57,101	\$ 7,280
Total Assets	<u>\$ 8,030</u>	<u>\$ 56,351</u>	<u>\$ 57,101</u>	<u>\$ 7,280</u>
<b>Liabilities</b>				
Due to General Fund	\$ 3,397	\$ 39,060	\$ 39,381	\$ 3,076
Due to Heirs, Litigants and Others	<u>4,633</u>	<u>17,291</u>	<u>17,720</u>	<u>4,204</u>
Total Liabilities	<u>\$ 8,030</u>	<u>\$ 56,351</u>	<u>\$ 57,101</u>	<u>\$ 7,280</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, 2000

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
<b>Assets</b>				
Cash	<u>\$ 25,040</u>	<u>\$ 258,815</u>	<u>\$ 256,198</u>	<u>\$ 27,657</u>
Total Assets	<u>\$ 25,040</u>	<u>\$ 258,815</u>	<u>\$ 256,198</u>	<u>\$ 27,657</u> ✓
<b>Liabilities</b>				
Due to General Fund	<u>\$ 10,421</u>	<u>\$ 115,366</u>	<u>\$ 113,996</u>	<u>\$ 11,791</u>
Due to Litigants and Others	<u>14,619</u>	<u>143,449</u>	<u>142,202</u>	<u>15,866</u>
Total Liabilities	<u>\$ 25,040</u>	<u>\$ 258,815</u>	<u>\$ 256,198</u>	<u>\$ 27,657</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, 2000

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
<b>Assets</b>				
Cash	\$ 2,652,286	\$ 74,448	\$ 732,927	\$ 1,993,807
Total Assets	<u>\$ 2,652,286</u>	<u>\$ 74,448</u>	<u>\$ 732,927</u>	<u>\$ 1,993,807</u> ✓
<b>Liabilities</b>				
Due to other Government Entities	\$ 2,652,286	\$ 74,448	\$ 732,927	\$ 1,993,807
Total Liabilities	<u>\$ 2,652,286</u>	<u>\$ 74,448</u>	<u>\$ 732,927</u>	<u>\$ 1,993,807</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, 2000 AND 1999**

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	<u>2000</u>	<u>1999</u>
<b>Assets</b>		
Cash	\$ <u>2,867,526</u>	\$ <u>2,309,409</u>
<b>Fund Balance</b>		
Reserved for Employees's Pension Benefits	\$ <u>2,867,526</u>	\$ <u>2,309,409</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, 2000 AND 1999

	2000	1999
<b>Additions</b>		
Contributions:		
Employer	\$ 455,000	\$ 515,496
Total Contributions	<u>455,000</u>	<u>515,496</u>
Investment Income		
Net Appreciation in Fair Value of Investments	-	-
Interest	<u>186,298</u>	<u>119,445</u>
Net Investment Income	<u>186,298</u>	<u>119,445</u>
Total additions	641,298	634,941
<b>Deductions</b>		
Contractual Services	55,701	64,052
Pension Benefits	<u>27,480</u>	<u>12,095</u>
Total Deductions	<u>83,181</u>	<u>76,147</u>
Net Increase	558,117	558,794
Net assets held in trust for pension benefits		
Beginning of Year	2,309,409	1,742,773
Prior Period Adjustment	<u>-</u>	<u>7,842</u>
Beginning of Year (as restated)	<u>2,309,409</u>	<u>1,750,615</u>
End of Year	<u>\$ 2,867,526</u>	<u>\$ 2,309,409</u>

The accompanying notes are an integral part of these statements.



**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
01/01/00	2,867,526	3,553,479	80.7	685,953	5,028,457	13.6

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**

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Plan Year Ended	Revenues by Source					Employer Contributions as a Percentage of Covered Payroll
	Employees	Contributions		Investment	Total	
		Employer	Total	Income		
01/01/96	0	\$ 387,236	\$ 387,236	\$ 114,206	\$ 501,442	9.3%
01/01/97	0	410,195	410,195	101,474	511,669	9.6%
01/01/98	0	411,950	411,950	136,490	548,440	8.9%
01/01/99	0	515,496	515,496	119,445	634,941	10.2%
01/01/00	0	455,000	455,000	186,298	641,298	9.10%

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	64,052	76,147
01/01/00	27,480	55,701	83,181

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

## COMPLIANCE

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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

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

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, 2000, and have issued our report thereon dated December 29, 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 00-3**. 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, 2001.

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 98-4, 98-5, 99-1, 00-1, and 00-2**.

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 December 29, 2000.

This report is intended for the information of the commissioner, audit committee, management and specified legislative or regulatory bodies, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Williamson & Co., CPAs*

Williamson and Co., CPAs  
December 29, 2000

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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, 2000. 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, 2000.

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 commissioner, audit committee, management and specified legislative or regulatory bodies, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Williamson & Co., CPAs*

Williamson & Co., CPAs  
December 29, 2000

Walker County, Georgia  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2000

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	<u>Expenditures</u>
<b>U.S. Department of Justice:</b>		
<b>Direct Award</b>		
COPS Domestic Violence	16.710	\$ 37,693 <sup>A</sup>
School Resource Officer	16.540	10,735 <sup>A</sup>
Bureau of Justice Assistance Multi-Jurisdictional Task Force	16.579	253,794 <sup>A</sup>
Other Federal Assistance		
U.S. Department of Agriculture	--	<u>6,123</u>
		<u>\$308,345</u>

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

**Walker County, Georgia  
Combined Schedule of Findings and Questioned Costs  
Year Ended September 30, 2000**

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**X 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. This finding is closed.

**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.
- Status:* The cost and time required to implement have prevented the County from Correcting. With the implementation of GASB 34 the county should update their fixed asset files and insure the files agree to the general ledger. This finding has not been resolved as of year-end.

Walker County, Georgia  
Combined Schedule of Findings and Questioned Costs  
Year Ended September 30, 2000

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**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: 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.

**Walker County, Georgia  
Combined Schedule of Findings and Questioned Costs  
Year Ended September 30, 2000**

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**98-5: 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. Based upon information computed upon old interest bearing accounts, the Clerk of Courts continues to owe the County General Fund in excess of \$50,000.

**98-6: 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:* We have received information needed to include as a Special Revenue Fund. We did find evidence of misappropriation of funds – See Question Cost.

Walker County, Georgia  
Combined Schedule of Findings and Questioned Costs  
Year Ended September 30, 2000

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

- 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.
- Status:* The Clerk of Court continues to maintain numerous bank accounts which are not reconciled nor balanced to any ledger. New computers (still in the boxes) have already lost their warranty and could be utilized to increase the efficiency of his office. If ledgers or computers were used or some means of cross-checking were in place then the mistakes in not recording transfers between accounts could be found by the Clerks staff.
- The Clerks office processes in excess of \$1,000,000 per year and continues to operate without any method to receive monthly collection and disbursements. Items #3 and #4 are considered closed but Item #1 and #2 continues to be a major problem and should be corrected.

**Walker County, Georgia  
 Combined Schedule of Findings and Questioned Costs  
 Year Ended September 30, 2000**

**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
None	

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, 2000

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**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITIONS**

**00-1: CLERK OF COURTS**

- Criteria:* Monies received or sent to the County (other than agency money) should flow thru the administrative or finance office. Any restriction will be followed and reserves established if required.
- Conditions:* The Clerk received \$10,000 in May 1997 of which approximately \$2,100 remains. In March, 2000 the Clerk received additional money, \$17,562, from the "Georgia Superior Court Clerk's Cooperative Authority" and deposited into a separate account.
- Effect::* This money is restricted to use within the Clerk of Courts office. If the receipt of money had been disclosed the budget money within the Clerks office may have been used in other areas of the County or helped to reduce the Clerks budget average.
- Recommendation:* All money should be reported and/or sent through the central office.

**00-2: TAX COMMISSIONER DAILY CASH COLLECTION**

- Criteria:* The tax commissioners office has the ability to reconcile the daily collections to a "daily" printout. This printout can then be used to document daily deposits to collections.
- Conditions:* The daily collections and subsequent daily deposits continues to reflect substantial variances. The collection for the previous day should agree to the following days deposit. Current practice is to withhold the \$1, \$5 and \$10's from the deposits and saved time from going to the bank to make change.
- Effect:* This practice does not allow for the easy verification of collections to actual deposits.
- Recommendation:* Make certain each days collection is deposited the next day. Any over or underage can be noted on the daily collection report for further examination.

**QUESTIONED COSTS:**

**00-3: Law Library – Special Revenue Fund**

The Law Library receives money from "add-ons" to the various county fines. This money is sent to the superior court judges representative who maintains the Library and checking account.

During the course of the audit we determined that the custodian of the funds should have received approximately \$3,600 during the 12 months under audit. But during the 12 months \$7,200 was paid of which approximately \$1,800 was returned.



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EARL WILLIAMSON  
LLOYD WILLIAMSON

GREG BRADY  
MARIE WILLIAMSON

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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, 2000, and have issued our report thereon dated December 29, 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, 2000, the end of the fiscal year covered by this audit.

*Williamson & Company, CPAs*

Williamson & Company, CPAs  
December 29, 2000

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, 2000

	Project	Original Estimated Cost(1)	Expenditures			Estimated Percentage Completion
			Prior Years	Current Year	Total	
1998	Water and Sewer	\$ 1,600,000	\$ 230,679	\$ 1,197,018	\$ 1,427,697	89.23%
1998	Subtitle D Landfill	5,900,000	773,237	940,356	1,713,593	29.04%
1998	Recreation	1,700,000	-	261,980	261,980	15.41%
1998	Renovation of Courthouse	1,200,000	1,000	369,960	370,960	30.91%
1998	New Agricultural Center	400,000	2,500	115,329	117,829	29.46%
1998	Renovate, Expand Jail	1,200,000	12,647	1,640,473	1,653,120	137.76%
1998	New Industrial Park	1,000,000	46,235	303,898	350,133	35.01%
1998	Roads, Streets, and Bridges	5,750,000	15,566	918,319	933,885	16.24%
1998	Administration	-	3,386	6,794	10,180	0.00%
	Total for all projects	<u>\$ 18,750,000</u>	<u>\$ 1,085,250</u>	<u>\$ 5,754,127</u>	<u>\$ 6,839,377</u>	36.48%

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