

WALKER COUNTY, GEORGIA

ANNUAL FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2002



*Revised
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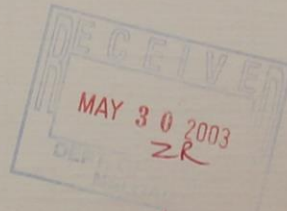
BURK PEARLMAN
NEBBEN & HUGGINS, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

**BURK PEARLMAN
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May 27, 2003

CPA Response



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Mr. Zachary Rogers
State of Georgia,
Department of Audits and Accounts
254 Washington Street, S.W., - Suite 322
Atlanta, Georgia 30334-8400

Re: Walker County, Georgia

Dear Mr. Rogers:

Enclosed is the revised audit report for Walker County, Georgia, for the fiscal year ended September 30, 2002. The revised report removes the capital projects fund columns from page 8 of the report.

If you have any questions about this report, please let us know.

Sincerely yours,

Barry R. Huggins
Certified Public Accountant

BRH:jm

Enclosure

WALKER COUNTY GEORGIA
ANNUAL FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2002

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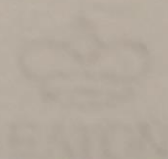
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WALKER COUNTY GEORGIA
ANNUAL FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

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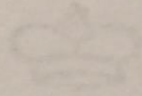
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ANNUAL FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2002

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FINANCIAL

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INDEPENDENT AUDITOR'S REPORT

Commissioner
Walker County, Georgia
LaFayette, Georgia 30728

We have audited the accompanying general purpose financial statements of Walker County, Georgia, as of and for the fiscal year ended September 30, 2002, 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 Health Department which statements reflect total assets of \$1,218,247 as of June 30, 2002, and total revenues of \$1,932,721 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 Health Department 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 auditing standards generally accepted in the United States of America 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.

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

The opinion of the other auditors on the June 30, 2002, financial statements of the component unit, Walker County Health Department, was qualified because the Walker County Health Department recognized revenues which were available and measurable in the prior fiscal year, in the current year, when disbursed; however, in our opinion, the effects of this revenue recognition policy are not material in relation to the general purpose financial statements.

In our opinion, except for the effects on the financial statements of not capitalizing general fixed assets acquired prior to 1984 referred to above, 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, 2002, and the results of its operations and cash flows of its proprietary fund types for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2003, 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 conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Walker County, Georgia. 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 Government 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 also 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 general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Burt, Pankratz, Nelson, Higgins, PLLC

Chattanooga, Tennessee
February 14, 2003

WALKER COUNTY, GEORGIA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
 SEPTEMBER 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
ASSETS AND OTHER DEBITS			
Cash	\$ 615,660	\$ 313,497	\$ 884,108
Investments	--	--	--
Receivables (net of allowances for uncollectible):			
Taxes	24,000	--	--
Accounts	800,542	72,119	--
Grants	38,625	--	--
Interest	1,855	--	--
Due from other funds	953,216	5,192	604,118
Due from other governments	2,271,066	--	735,145
Fixed assets - Net of accumulated depreciation	--	--	--
Restricted cash	80,255	2,513,024	105,499
Amount to be provided for retirement of general long-term debt	--	--	--
TOTAL ASSETS AND OTHER DEBITS	<u>\$4,785,219</u>	<u>\$2,903,832</u>	<u>\$2,328,870</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
LIABILITIES			
Bank overdraft	\$ --	\$ --	\$ --
Accounts payable and accrued expenses	847,357	--	246,703
Compensated absences	36,715	--	--
Due to other funds	625,339	140,281	--
Due to other governments	198,262	--	--
Due to heirs, litigants and others	22,680	--	--
Deferred revenues	19,901	2,710,523	3,391
Capital leases	--	--	--
Landfill closure and postclosure care costs	--	--	--
Note and bonds payable	--	--	--
TOTAL LIABILITIES	<u>1,750,254</u>	<u>2,850,804</u>	<u>250,094</u>
EQUITY AND OTHER CREDITS			
Investment in general fixed assets	--	--	--
Contributed capital	--	--	--
Retained earnings (deficit)	--	--	--
Fund balances:			
Reserved for completion of projects	--	--	2,078,776
Reserved for employees pension benefits	--	--	--
Unreserved, undesignated	3,034,965	53,028	--
TOTAL EQUITY AND OTHER CREDITS	<u>3,034,965</u>	<u>53,028</u>	<u>2,078,776</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$4,785,219</u>	<u>\$2,903,832</u>	<u>\$2,328,870</u>

See accompanying notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	Primary Government	Health Department	Reporting Entity
\$ 418	\$ --	\$2,314,239	\$ --	\$ --	\$ 4,127,922	\$ 855,211	\$ 4,983,133
--	--	3,486,682	--	--	3,486,682	--	3,486,682
--	--	2,462,186	--	--	2,466,186	--	2,486,186
63,337	--	1,305,706	--	--	2,241,704	--	2,241,704
--	--	--	--	--	38,625	--	38,625
--	21,221	--	--	--	1,855	--	1,855
--	--	--	--	--	1,583,747	--	1,583,747
4,608,356	--	--	37,219,169	--	3,006,211	80,643	3,086,854
327,469	--	11,616	--	--	41,827,525	206,872	42,034,397
--	--	--	--	--	3,037,863	--	3,037,863
--	--	--	--	11,346,577	11,346,577	75,521	11,422,098
<u>\$4,999,580</u>	<u>\$ 21,221</u>	<u>\$9,580,429</u>	<u>\$37,219,169</u>	<u>\$11,346,577</u>	<u>\$73,184,897</u>	<u>\$1,218,247</u>	<u>\$74,403,144</u>
\$ --	\$ 2,925	\$ --	\$ --	\$ --	\$ 2,925	\$ --	\$ 2,925
--	6,028	--	--	--	1,100,088	2,090	1,102,178
453,757	--	--	--	411,675	448,390	75,521	523,911
--	--	364,370	--	--	1,583,747	--	1,583,747
--	--	1,334,911	--	--	1,533,173	72,676	1,605,849
--	--	626,574	--	--	649,254	--	649,254
1,090,208	--	3,767,892	--	--	6,501,707	63,749	6,565,456
2,862,377	--	--	--	8,834,902	9,925,110	--	9,925,110
--	--	--	--	--	2,862,377	--	2,862,377
--	--	--	--	2,100,000	2,100,000	--	2,100,000
<u>4,406,342</u>	<u>8,953</u>	<u>6,093,747</u>	<u>--</u>	<u>11,346,577</u>	<u>26,706,771</u>	<u>214,036</u>	<u>26,920,807</u>
--	--	--	37,219,169	--	37,219,169	206,872	37,426,041
1,113,134	--	--	--	--	1,113,134	--	1,113,134
(519,896)	12,268	--	--	--	(507,628)	--	(507,628)
--	--	--	--	--	2,078,776	--	2,078,776
--	--	3,486,682	--	--	3,486,682	--	3,486,682
--	--	--	--	--	3,087,993	797,339	3,885,332
<u>593,238</u>	<u>12,268</u>	<u>3,486,682</u>	<u>37,219,169</u>	<u>--</u>	<u>46,478,126</u>	<u>1,004,211</u>	<u>47,482,337</u>
<u>\$4,999,580</u>	<u>\$ 21,221</u>	<u>\$9,580,429</u>	<u>\$37,219,169</u>	<u>\$11,346,577</u>	<u>\$73,184,897</u>	<u>\$1,218,247</u>	<u>\$74,403,144</u>

See accompanying notes to financial statements.

WALKER COUNTY, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
REVENUES			
Property taxes	\$ 2,967,663	\$ --	\$ --
Other taxes	5,942,423	--	3,493,598
Licenses and permits	72,715	--	--
Charges for services	541,672	1,841,585	--
Intergovernmental revenue	3,100,804	323,187	668,410
Fines and forfeitures	1,594,195	45,401	--
Investment earnings	20,857	4,741	31,270
Rental income	584,295	--	--
Donations	34,744	12,806	--
Other	808,317	1,460	--
TOTAL REVENUES	15,667,685	2,229,180	4,193,278
EXPENDITURES			
Current			
General government	2,780,864	--	35,000
Judicial	2,506,284	40,881	--
Sheriff	5,121,455	--	--
Public safety	574,440	2,107,236	--
Public works	1,480,540	--	--
Culture and recreation	154,044	--	--
Health and welfare	1,195,708	309,083	--
Housing and development	337,249	299	--
Capital expenditures	843,990	1,504,185	2,590,122
Debt service - principal	415,678	1,602,543	2,010,000
Debt service - interest	193,207	116,470	175,725
TOTAL EXPENDITURES	15,603,459	5,680,697	4,810,847
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	64,226	(3,451,517)	(617,569)
OTHER FINANCING SOURCES (USES)			
Operating transfer - in	--	310,740	24,816
Operating transfer - out	(335,556)	--	--
Proceeds from capital leases	53,417	2,928,306	--
Proceeds from general fixed asset disposition	27,063	112,550	--
TOTAL OTHER FINANCING SOURCES (USES)	(255,076)	3,351,596	24,816
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(190,850)	(99,921)	(592,753)
Fund balance - October 1	3,225,815	152,949	2,671,529
Fund balance - September 30	\$ 3,034,965	\$ 53,028	\$ 2,078,776

See accompanying notes to financial statements.

Totals (Memorandum Only) Primary Government	Component Unit Health Department	Totals (Memorandum Only) Reporting Entity
\$ 2,967,663	\$ --	\$ 2,967,663
9,436,021	--	9,436,021
72,715	--	72,715
2,383,257	449,199	2,832,456
4,092,401	1,302,542	5,394,943
1,639,596	--	1,639,596
56,868	23,520	80,388
584,295	--	584,295
47,550	--	47,550
809,777	70	809,847
<u>22,090,143</u>	<u>1,775,331</u>	<u>23,865,474</u>
2,815,864	--	2,815,864
2,547,165	--	2,547,165
5,121,455	--	5,121,455
2,681,676	--	2,681,676
1,480,540	--	1,480,540
154,044	--	154,044
1,504,791	1,830,339	3,335,130
337,548	--	337,548
4,938,297	20,204	4,958,501
4,028,221	--	4,028,221
485,402	--	485,402
<u>26,095,003</u>	<u>1,850,543</u>	<u>27,945,546</u>
(4,004,860)	(75,212)	(4,080,072)
335,556	--	335,516
(335,556)	--	(335,516)
2,981,723	--	2,981,723
139,613	--	139,613
<u>3,121,336</u>	<u>--</u>	<u>3,121,336</u>
(883,524)	(75,212)	(958,736)
<u>6,050,293</u>	<u>872,551</u>	<u>6,922,844</u>
\$ <u>5,166,769</u>	\$ <u>797,339</u>	\$ <u>5,964,108</u>

See accompanying notes to financial statements.

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, 2002

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property taxes	\$ 3,250,000	\$ 2,967,663	\$(282,337)
Other taxes	6,000,000	5,942,423	(57,577)
Licenses and permits	53,000	72,715	19,715
Charges for services	550,000	541,672	(8,328)
Intergovernmental revenue	2,565,000	3,100,804	535,804
Fines and forfeitures	1,500,000	1,594,195	94,195
Investment earnings	24,000	20,857	(3,143)
Rental income	580,000	584,295	4,295
Donations	--	34,744	34,744
Other	810,000	808,317	(1,683)
TOTAL REVENUES	15,332,000	15,667,685	335,685
EXPENDITURES			
Current			
General government	2,525,039	2,780,864	(255,825)
Judicial	2,476,429	2,506,284	(29,855)
Sheriff	5,035,033	5,121,455	(86,422)
Public safety	607,754	574,440	33,314
Public works	1,665,002	1,480,540	184,462
Culture and recreation	151,000	154,044	(3,044)
Health and welfare	995,200	1,195,708	(200,508)
Housing and development	306,577	337,249	(30,672)
Capital expenditures	603,990	843,990	(240,000)
Debt service - principal	415,678	415,678	--
Debt service - interest	193,207	193,207	--
TOTAL EXPENDITURES	14,974,909	15,603,459	(628,550)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	357,091	64,226	(292,865)
OTHER FINANCING SOURCES (USES):			
Operating transfer - in	--	--	--
Operating transfer - out	(395,073)	(335,556)	59,517
Proceeds from capital leases	--	53,417	53,417
Proceeds from general fixed asset disposition	--	27,063	27,063
TOTAL OTHER FINANCING SOURCES (USES)	(395,073)	(255,076)	139,997
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$(37,982)	(190,850)	\$(152,868)
Fund balance - October 1		3,225,815	
Fund balance - September 30		\$ 3,034,965	

See accompanying notes to financial statements.

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Special Revenue		
Budget	Actual	Variance Favorable (Unfavorable)
\$ --	\$ --	\$ --
--	--	--
--	--	--
1,890,000	1,841,585	(48,415)
523,700	323,187	(200,513)
60,000	45,401	(14,599)
4,850	4,741	(109)
--	--	--
--	12,806	12,806
--	1,460	1,460
<u>2,478,550</u>	<u>2,229,180</u>	<u>(249,370)</u>
--	--	--
60,650	40,881	19,769
--	--	--
2,130,351	2,107,236	23,115
--	--	--
--	--	--
431,644	309,083	122,561
--	299	(299)
402,872	1,504,185	(1,101,313)
337,870	1,602,543	(1,264,673)
<u>101,873</u>	<u>116,470</u>	<u>(14,597)</u>
<u>3,465,260</u>	<u>5,680,697</u>	<u>(2,215,437)</u>
<u>(986,710)</u>	<u>(3,451,517)</u>	<u>(2,464,807)</u>
395,073	310,740	(84,333)
--	--	--
267,659	2,928,306	2,660,647
<u>112,550</u>	<u>112,550</u>	<u>--</u>
<u>775,282</u>	<u>3,351,596</u>	<u>2,576,314</u>
<u>\$(211,428)</u>	<u>(99,921)</u>	<u>\$ 111,507</u>
	<u>152,949</u>	
	<u>\$ 53,028</u>	

See accompanying notes to financial statements.

WALKER COUNTY, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>Proprietary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	
OPERATING REVENUES			
Charges for services	\$ 1,131,460	\$ 83,805	\$ 1,215,265
TOTAL OPERATING REVENUES	<u>1,131,460</u>	<u>83,805</u>	<u>1,215,265</u>
OPERATING EXPENSES			
Salaries	243,817	--	243,817
Employee benefits	67,710	--	67,710
Purchased services	42,772	--	42,772
Professional fees	31,861	--	31,861
Utilities	7,327	--	7,327
Repairs and maintenance	76,839	--	76,839
Claims paid	--	75,594	75,594
Depreciation and amortization	194,529	--	194,529
Bad debts	1,257	--	1,257
Supplies	35,035	--	35,035
Waste disposal	822,211	--	822,211
TOTAL OPERATING EXPENSES	<u>1,523,358</u>	<u>75,594</u>	<u>1,598,952</u>
OPERATING INCOME (LOSS)	<u>(391,898)</u>	<u>8,211</u>	<u>(383,687)</u>
NONOPERATING REVENUE			
Interest revenues	2,554	--	2,554
Miscellaneous revenues	70	--	70
TOTAL NONOPERATING REVENUE	<u>2,624</u>	<u>--</u>	<u>2,624</u>
NET INCOME (LOSS)	<u>(389,274)</u>	<u>8,211</u>	<u>(381,063)</u>
Depreciation on contributed assets	78,142	--	78,142
Net decrease in retained earnings	(311,132)	8,211	(302,921)
Retained earnings - beginning	(208,764)	4,057	(204,707)
Retained earnings - ending	\$ (519,896)	\$ 12,268	\$ (507,628)

See accompanying notes to financial statements.

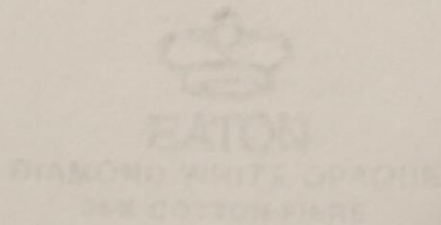
WALKER COUNTY, GEORGIA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	Proprietary Fund Types		Totals (Memorandum only)
	Enterprise	Internal Service	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$(393,898)	\$ 8,311	\$(385,587)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Closure and post closure care costs	(104,497)	==	(104,497)
Depreciation	194,529	==	194,529
(increase) decrease in accounts receivable	15,509	(18,038)	(2,529)
Increase (decrease) in accounts payable	(17,990)	(813)	(18,803)
Increase (decrease) in due to other funds	333,406	==	333,406
Net cash provided by (used in) operating activities	29,059	(10,640)	18,419
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(794,422)	==	(794,422)
Net cash used in financing activities	(794,422)	==	(794,422)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts of interest	2,554	==	2,554
Miscellaneous receipts	70	==	70
Net cash provided by investing activities	2,624	==	2,624
NET CASH INCREASE (DECREASE)	(762,739)	(10,640)	(773,379)
Cash and cash equivalents at beginning of year	1,090,626	7,715	1,098,341
Cash and cash equivalents at ending of year	\$ 327,887	\$(2,925)	\$ 324,962

See accompanying notes to financial statements.

WALKER COUNTY, GEORGIA
 COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
 PENSION TRUST FUND
 For the Fiscal Year Ended September 30, 2002

ADDITIONS		
Contributions		
Employer		\$ <u>531,506</u>
Total contributions		<u>531,506</u>
Investment income		
Interest		<u>125,242</u>
Net investment income		<u>125,242</u>
Total additions		<u>656,748</u>
DEDUCTIONS		
Contractual services		43,764
Pension benefits		424,760
Life insurance		<u>27,506</u>
Total deductions		<u>496,030</u>
NET INCREASE		160,718
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
Beginning of year		<u>3,325,964</u>
End of year		<u>\$3,486,682</u>



See accompanying notes to financial statements.

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

September 30, 2002

The accounting methods and procedures adopted by Walker County, Georgia, conform to generally accepted accounting principles (GAAP) as applied to governmental entities. The County's reporting entity applies all Government Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The following notes to the financial statements are an integral part of Walker County's General Purpose Financial Statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 discretely presented component unit.

Discretely presented component unit. The Walker County Health Department, an entity legally separate from the County, is governed by a seven-member board which includes the Commissioner of Walker County and several members appointed by the County Commissioner. For financial reporting purposes, the Health Department is reported as if it were part of the County's operations because its purpose is to provide health care services and health education to the citizens of the County. Complete financial statements of the Health Department can be obtained from their office: LaFayette, Georgia 30707.

The following related organizations are excluded from the financial reporting entity:

Walker County Water and Sewerage Authority is an entity legally separate from the County and is governed by a five-member board appointed by the County Commissioner. The Authority provides water and sewerage services to citizens in a portion of Walker County. The Authority is excluded because the County's accountability does not extend beyond making appointments. The Authority selects its own management staff, sets user charges, establishes budgets, issues debt, and controls all aspects of the daily operations.

Walker County Board of Education. The Board of Education has a separate board elected by the public and provides services to residents within the geographic boundary of the County. It is excluded because the County does not have the ability to exercise influence or control over the daily operations, approve budgets, or provide funding.

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Walker County Department of Family and Children's Services. This organization has been appointed jointly by the area government's governing bodies. It is an independent unit that selects management staff, sets user charges, establishes budgets and controls all aspects of its daily activities.

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 equity, 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 the following fund types and account groups as described below:

Fund Types

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.

Special Revenue Funds: These funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Capital Projects Funds: These funds are established to account for major capital expenditures financed by special purpose local option sales tax and grant revenues.

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 Fund and Internal Service Fund.

Enterprise Fund: This fund is 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.

Internal Service Fund: This fund may be used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis.

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

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

Account Groups

General Fixed Assets Account Group: This account group is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets of the proprietary funds.

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

Accounting Period

All funds of Walker County, Georgia, are on fiscal year basis with the year ending September 30, 2002, except for the Health Department component unit. The component unit operates on a fiscal year ending June 30, 2002.

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 fund types and agency funds use the modified accrual basis of accounting and the flow of current 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 and the pension trust fund 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). Employer contributions to the pension plans are recognized when due and the County has made a formal commitment to provide the contributions.

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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 level. All appropriations lapse at the end of each fiscal year.

The capital project funds have a project length budget, which was adopted when the fund was formed. The Special Purpose Local Option Sales Tax (SPLOST) budget was prepared from the projected total SPLOST tax revenues and capital outlays.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is often employed for budgetary control purposes in general and special revenue funds. However, the County does not use encumbrance accounting.

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.

For purposes of the statement of cash flows, the County considers all highly liquid investments, including restricted cash, with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments of the County are reported at fair value.

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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.

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.

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, i.e., roads, curbs and gutters, sidewalks, drainage systems, lighting systems, 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 government 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 effect of this departure on financial position is not reasonably determinable. Donated assets are reported at their estimated fair value on the date of acquisition.

In the proprietary fund, property and equipment are stated at cost or, if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Depreciation is provided on all assets in the proprietary fund on the straight-line method. Estimated useful lives are as follows:

Site improvements	20 years
Buildings	40 years
Equipment	5 to 15 years
Vehicles	5 years

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Other Assets

Other assets held are recorded and accounted for at cost.

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, capital leases, 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.

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.

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.

Property Tax Revenues

Property taxes are generally 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. Revaluation of real property must be made when the average assessed value falls below 40% of the sales price on property sold within the previous year. The last valuation date was January 1, 2002, for residential property and January 1, 1998, for all other real property. 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.

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

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
(Continued)

leave. Earned vacation time is required to be used by the end of each calendar year with no carryover to the next year for all County departments with the exception of the Sheriff's department, Fire and Rescue, and the District Attorney's office. Employees of the Sheriff's department, Fire and Rescue, and the District Attorney's office are entitled to receive accrued compensatory time at termination. The estimated current portion of the liability for vested vacation benefits attributable to the County's governmental funds is recorded as an expenditure and liability in the respective funds. The long-term portion is recorded in the General Long-Term Debt Account Group. The amounts attributable to proprietary funds and similar component units are charged to expense and a corresponding liability in the applicable fund or component unit.

Memorandum Only - Total Columns

The combined financial statements include total columns that are described as memorandum only. Data in these columns does 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.

NOTE B - 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 purposes. 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 C - 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.

NOTE D - PROPERTY TAXES

Walker County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. The following dates were applicable to property taxes for 2002:

Lien date	January 1, 2002
Levy date	December 2, 2002
Due date	February 2, 2003

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.

WALKER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Property taxes receivable as September 30, 2002, within the Tax Commissioner Agency Fund are composed of the following:

<u>Year of Levy</u>	
2002	\$ 2,490,557
2001	115,608
2000	41,270
1999	20,922
1998	19,994
1997	13,745
1996	9,762
Before 1996	<u>45,624</u>
Total property taxes receivable	2,757,482
Less allowance for uncollectibles	<u>(295,296)</u>
	<u>\$ 2,462,186</u>

NOTE E - CASH AND INVESTMENTS

Primary Government

At year-end, the book balance of the County's deposits was \$7,156,667 and the bank balance was \$7,610,150. Of the bank balance, \$1,260,992 was covered by federal depository insurance and \$6,349,158 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.

The deposits of the primary government are included in the following classifications at September 30, 2002:

Cash	\$4,121,729
Restricted cash	3,037,863
Bank overdraft	<u>(2,925)</u>
	<u>\$7,156,667</u>

Component Unit

Walker County Health Department. The Health Department's cash and cash equivalents are considered to be demand deposits. All deposits were entirely insured or collateralized as of June 30, 2002.

At June 30, 2002, cash consisted of the following:

Cash in the bank	\$ 854,761
Petty cash and change fund	<u>450</u>
	<u>\$ 855,211</u>

WALKER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

NOTE F - DUE TO/FROM OTHER FUNDS

As of September 30, 2002 interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
GENERAL FUND	\$ 953,216	\$ 625,339
AGENCY FUND:		
Tax Commissioner	--	81,207
Clerk of Courts	--	267,834
Probate Judge	--	3,230
Magistrate Court	--	12,099
SPECIAL REVENUE:		
Fire protection	4,340	64,326
Law library	852	--
Connection	--	1,874
Greenspace	--	290
E911	--	73,791
CAPITAL PROJECTS:		
Bond construction	579,302	--
Senior Center	24,816	--
INTERNAL SERVICE:		
Employee benefit	21,221	--
ENTERPRISE:		
Landfill	--	453,757
TOTAL	<u>\$1,583,747</u>	<u>\$1,583,747</u>

NOTE G - FIXED ASSETS

Activity in the general fixed assets account group for the fiscal year ended September 30, 2002, was as follows.

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

Primary Government

	Balance October 1, 2001	Additions	Deletions	Balance September 30, 2002
Land	\$ 590,401	\$ --	\$ --	\$ 590,401
Land improvement	180,025	--	--	180,025
Building	13,589,302	160,085	--	13,749,387
Building improvements	966,235	2,888	--	969,123
Recreation facilities	480,523	394,800	--	875,323
Equipment and vehicles	13,129,360	2,168,776	--	15,298,136
Furniture and fixtures	405,542	21,272	--	426,814
Software	--	37,546	--	37,546
Construction in progress:				
Bond projects	2,631,262	--	2,631,262	--
SPLOST projects	1,733,383	3,248,288	403,834	4,577,837
Capital grant projects	--	514,577	--	514,577
	<u>\$33,706,033</u>	<u>\$6,548,232</u>	<u>\$ 3,035,096</u>	<u>\$37,219,169</u>

WALKER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

<u>Component Unit</u>	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2002</u>
Office equipment	\$ 63,618	\$ 1,810	\$ 5,409	\$ 60,019
Vehicles	<u>146,853</u>	<u>--</u>	<u>--</u>	<u>146,853</u>
Total	<u>\$210,471</u>	<u>\$ 1,810</u>	<u>\$ 5,409</u>	<u>\$206,872</u>

Schedule of General Fixed Assets by Source
 September 30, 2002

	<u>Balance</u> <u>October 1,</u> <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30,</u> <u>2002</u>
General fund	\$18,371,067	\$ 807,072	\$ --	\$19,178,139
Special revenue funds	190,036	3,360	--	193,396
Capital Grants	--	514,577	--	514,577
SPLOST	2,532,581	672,757	--	3,205,338
Capital leases	6,955,428	1,515,370	--	8,470,798
Bonds	<u>5,656,921</u>	<u>--</u>	<u>--</u>	<u>5,656,921</u>
Total general fixed assets	<u>\$33,706,033</u>	<u>\$3,513,136</u>	<u>\$ --</u>	<u>\$37,219,169</u>

Fixed Assets - Proprietary Fund
 September 30, 2002

Property, plant and equipment of the Landfill Enterprise Fund consists of the following:

Land and buildings	\$ 300,653
Machinery and equipment	373,368
Vehicles	47,700
Property held under capital leases	765,270
Construction in progress	<u>3,525,993</u>
	5,012,984
Less: Accumulated depreciation	<u>404,628</u>
Total	<u>\$4,608,356</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.

Accounting Standards Board (FASB) Statement No. 34 (Capitalization of Interest Cost) requires that interest expenditures incurred during construction of assets be capitalized. FAS-62 (Capitalization of Interest Cost in Situations Involving Certain Tax-exempt Borrowings and Certain Gifts and Grants) concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing. During 2002, no interest costs were capitalized.

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE H - PENSION PLAN

Plan Description. Two hundred and fifty-eight (258) of the County's full time employees are covered by the Pension Plan for Employees of the Walker County Commissioner and Sheriff's Department. This self-administered plan is a single employer, noncontributory, defined benefit plan established January 1, 1973, restated effective January 1, 1984 and amended effective December 31, 2000. Authority to establish, amend or discontinue the plan is assigned to Walker County. The plan is included in this report because the County has oversight responsibility as prescribed by the Governmental Accounting Standards Board. The plan does not issue separate financial statements but includes the financial statements and required supplementary information in the County's annual financial report. The plan provides retirement, disability and death benefits to all employees, and their beneficiaries, that have been employed full time for one year. Employees begin vesting after 3 years of service and are fully 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 average 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 the 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 County's Plan for 2002 has increased as a percentage of covered payroll from 8.39% in 2001 to 8.93% in 2002. 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 plan during the year ended December 31, 2001, was \$551,981 and was made in accordance with contribution requirements determined by an actuarial valuation as of January 1, 2002. The County's current year covered payroll and its total current year payroll for all employees amount to \$5,691,074 based upon the actuarial valuation of January 1, 2002.

Summary of Significant Accounting Policies. The plan's 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
(Continued)

Three-Year Trend Information

Year Ending	Employer Annual Pension Cost (APC)	Annual Contribution	Percentage of APC Contributed	Net (EOY) Pension Obligation
December 31, 1999	\$448,758	\$469,203	104.6%	--
December 31, 2000	522,290	560,921	107.4	--
December 31, 2001	475,741	551,981	116.0	--

Schedule of Funding Progress

Actuarial Valuation for Plan Year Beginning January 1,	(1) Actuarial Value of Assets	(2) Actuarial 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)
2000	\$2,867,526	\$3,553,479	\$685,953	80.7	\$5,028,457	13.6
2001	3,325,964	3,975,028	649,064	83.7	4,794,350	13.5
2002	3,486,682	4,059,602	572,920	85.9	5,691,074	10.1

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	7.0%
Projected salary and inflation increases	5.0%
Actuarial methods:	
Actuarial cost method	Frozen entry age
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, 2002, the current plan membership includes the following categories of participants.

Plan Participants:

Retirees and beneficiaries currently receiving benefits	5
Terminated employees entitled to benefits but not yet receiving them	35
Active participants	<u>218</u>
Total	<u>258</u>

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE I - LONG-TERM DEBT

The following is a summary of the County's long-term debt transactions for the year ended September 30, 2002.

	Balance October 1, 2001	Additions	Reductions	Balance September 30, 2002
Capitalized leases:				
General long-term debt account group	\$5,651,613	\$5,185,195	\$2,001,906	\$8,834,902
Proprietary-Landfill	<u>1,090,208</u>	--	--	<u>1,090,208</u>
Total capitalized leases	<u>\$6,741,821</u>	<u>\$5,185,195</u>	<u>\$2,001,906</u>	<u>\$9,925,110</u>
SPLOST Bond payable:				
General long-term debt account group	<u>\$4,110,000</u>	\$ --	<u>\$2,010,000</u>	<u>\$2,100,000</u>
Estimated landfill closure and postclosure cost	<u>\$2,966,874</u>	\$ --	<u>\$ 104,497</u>	<u>\$2,862,377</u>

Debt outstanding as of September 30, 2002 is composed of the following:

	Interest Rate	Date of Issue	Date of Last Payment	Amount Issued	Amount Outstanding
Capital leases					
Commissioner-DFACS building	5.50%	12/01/95	09/01/11	\$3,562,705	\$2,732,578
Road department-grader	5.70%	09/30/97	08/30/04	96,581	30,227
Road department - equipment	4.31%	04/20/01	04/01/06	738,926	600,941
E911-equipment	4.06%	08/24/01	08/01/04	422,151	285,961
Landfill equipment	4.07%	09/27/01	10/15/06	1,090,208	1,090,208
Fire - Vehicles	5.19%	01/28/02	02/01/12	2,495,067	2,495,067
Fire - Vehicles and equipment	4.95%	06/24/02	06/01/12	2,511,381	2,511,381
Tax Commissioner - computers	7.15%	07/16/02	07/07/05	55,000	55,000
Fire - Paging system	7.58%	07/25/02	07/07/07	123,747	123,747
Total leases					<u>\$9,925,110</u>
General obligation bonds					
1999 bonds	4.10-4.30%	01/01/99	08/01/03	4,900,000	<u>\$2,100,000</u>
Total bonds					<u>\$2,100,000</u>

WALKER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

The future minimum lease obligations as of September 30, 2002 were as follows:

Year Ending September 30,	To General Long-Term Debt								Proprietary Debt	Total
	Buildings	Grader	Road Department Equipment	911 Equipment	Computers	Paging System	Vehicles	Equipment and Vehicles	Landfill Equipment	
2003	\$ 347,562	\$ 16,686	\$ 168,595	\$ 152,472	\$ 10,697	\$ 15,098	\$ 302,990	\$ 328,242	\$ 245,773	\$ 1,588,115
2004	358,199	15,295	168,595	151,256	10,697	15,098	302,990	328,242	245,773	1,596,145
2005	369,154	--	168,595	--	10,697	15,098	302,990	328,242	245,773	1,440,549
2006	380,439	--	161,839	--	10,697	15,098	302,990	328,242	245,773	1,445,078
2007	392,063	--	--	--	10,697	15,098	302,990	328,242	248,402	1,297,492
Thereafter	1,654,027	--	--	--	10,697	75,490	1,760,017	1,641,210	--	5,141,441
Total minimum lease	3,501,444	31,981	667,624	303,728	64,182	150,980	3,274,967	3,282,420	1,231,494	12,508,820
Less: Interest	768,866	1,754	66,683	17,767	9,182	27,233	779,900	771,039	141,286	2,583,710
Present value of minimum lease payments	\$2,732,578	\$ 30,227	\$ 600,941	\$ 285,961	\$ 55,000	\$ 123,747	\$2,495,067	\$2,511,381	\$1,090,208	\$ 9,925,110

The annual requirements to amortize all bonded indebtedness outstanding as of September 30, 2002, including interest payable of \$90,300, are as follows:

September 30	General Obligation Bonds		Total
	Principal 1999 Bonds	Interest Combined	
2003	\$2,100,000	\$ 90,300	\$2,190,300

WALKER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

NOTE K - CONTRIBUTED CAPITAL

During the fiscal year 2002, changes in contributed capital were as follows:

	<u>ENTERPRISE FUND</u>
	<u>LANDFILL</u>
Fixed assets purchased by SPLOST	\$ 359,635
Depreciation on fixed assets	(78,142)
Total additions (deductions)	281,493
Contributed capital - beginning	<u>831,641</u>
Contributed capital - ending	<u>\$1,113,134</u>

NOTE L - DEFICIT FUND BALANCE

The landfill enterprise fund has a deficit fund balance of \$519,896 at September 30, 2002. User fees collected in future years from the transfer station and C & D landfill that is under construction will be used to liquidate the deficit.

NOTE M - FUND EQUITY - FUND BALANCES

Reserves are used to indicate that a portion of the fund balance or retained earnings is not appropriable 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

Capital Projects

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

Trust and Agency Funds

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

	Reserved Portion All Funds	
	<u>Capital</u>	<u>Pension Trust</u>
Balance, September 30, 2001	\$2,671,529	\$3,325,964
Increase (decrease)	(592,753)	<u>160,718</u>
Balance, September 30, 2002	<u>\$2,078,776</u>	<u>\$3,486,682</u>

WALKER COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

NOTE N - RISK MANAGEMENT

Walker County, Georgia, is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Being unable to obtain general liability and workers' compensation insurance at a cost it considered to be economically justifiable, the County joined together with other counties in the State in participation in the Association of County Commissioners of Georgia - Inter Local Risk Management Agency and the Group Self-Insured Workers' 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 O - 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, 2002, 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 P - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the following funds and departments.

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects Fund</u>
General government	\$255,825	\$ --	\$ --
Judicial	29,855	--	--
Culture and recreation	3,044	--	--
Health and welfare	200,508	--	--
Capital expenditures	240,000	1,101,313	--
Sheriff	86,422	--	--
Housing & Development			
General Fund	30,672	--	--
Greenspace	--	299	--
Debt service principal	--	1,264,673	2,010,000
Debt service interest	--	14,597	175,725

WALKER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
(Continued)

The fund balance in the Walker County General Fund was \$3,034,965 for the year ended September 30, 2002. Revenues increased \$1,588,846 from the previous year and expenditures increased \$79,203 from the previous year.

NOTE Q - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

Walker County owns and operates a landfill site located west of LaFayette. The landfill has been operated from the present site since 1973. State and federal laws and regulations require the County to close the landfill once its capacity is reached and to monitor and maintain the site for thirty subsequent years. As of June 1998, the County ceased to accept solid waste at their landfill. The solid waste is accepted at a transfer station and transported to a location out of the County by an outside contractor. The landfill will continue to incur cost associated with the closing of the landfill in order to comply with EPA 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 \$2,862,377, 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 EPA requirements, and costs could be significantly higher if full compliance is not achieved, and possibly higher due to inflation, changes in technology, or changes in landfill laws and regulations. These costs will be met with future County revenues. The landfill capacity used to date for the solid waste landfill is at 100%.

NOTE R - 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. 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.

SPECIAL REVENUE FUNDS

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

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 fire and rescue 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 Connection - This fund is used to account for the operations of the Walker County Connection. This program is funded through grants and donations.

Greenspace - This fund is used to account for the greenspace program. The program is funded through a grant.

WALKER COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 September 30, 2002

	Court Supervision	Emergency 911	Fire and Rescue	Law Library	Connection	Greenspace	Total
ASSETS							
Cash	\$ 26,291	\$ --	\$ 59,104	\$ 2,056	\$ 26,585	\$ 199,461	\$ 313,497
Due from other funds	--	--	4,340	852	--	--	5,192
Accounts receivable	--	72,119	--	--	--	--	72,119
Restricted cash	--	29,467	2,483,537	--	--	--	2,513,024
TOTAL ASSETS	<u>\$ 26,291</u>	<u>\$ 101,606</u>	<u>\$2,546,981</u>	<u>\$ 2,908</u>	<u>\$ 26,585</u>	<u>\$ 199,461</u>	<u>\$2,903,832</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Due to general fund	\$ --	\$ 73,791	\$ 64,326	\$ --	\$ 1,874	\$ 290	\$ 140,281
Deferred revenue	--	27,815	2,483,537	--	--	199,171	2,710,523
TOTAL LIABILITIES	<u>--</u>	<u>101,606</u>	<u>2,547,863</u>	<u>--</u>	<u>1,874</u>	<u>199,461</u>	<u>2,850,804</u>
FUND BALANCE							
Unreserved, undesignated	<u>26,291</u>	<u>--</u>	<u>(882)</u>	<u>2,908</u>	<u>24,711</u>	<u>--</u>	<u>53,028</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 26,291</u>	<u>\$ 101,606</u>	<u>\$2,546,981</u>	<u>\$ 2,908</u>	<u>\$ 26,585</u>	<u>\$ 199,461</u>	<u>\$2,903,832</u>

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ALL SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended September 30, 2002

	Court Supervision	Emergency 911	Fire and Rescue	Law Library	Connection	Greenspace	Total
REVENUES							\$1,841,585
Charges for services	\$ --	\$ 702,448	\$ 1,139,137	\$ --	\$ --	\$ --	323,187
Intergovernmental revenue	--	--	--	--	322,888	299	45,401
Fines and forfeitures	8,495	--	--	36,906	--	--	4,741
Investment earnings	274	1,683	2,674	110	--	--	12,806
Donations	--	--	--	--	12,806	--	1,460
Miscellaneous	--	--	--	--	1,460	--	--
TOTAL REVENUES	8,769	704,131	1,141,811	37,016	337,154	299	2,229,180
EXPENDITURES							40,881
Judicial	500	--	--	40,381	--	--	1,249,572
Public safety	--	682,661	566,911	--	--	--	97,288
Personal services	--	73,799	23,489	--	--	--	135,726
Communications	--	9,457	126,269	--	--	--	281,173
Supplies	--	53,160	228,013	--	--	--	64,875
Maintenance and repairs	--	11,767	53,108	--	--	--	278,602
Utilities	--	24,541	254,061	--	--	--	--
Other	--	--	--	--	--	--	177,731
Health and Welfare	--	--	--	--	177,731	--	7,556
Personal services	--	--	--	--	7,556	--	72,567
Communications	--	--	--	--	72,567	--	3,571
Supplies	--	--	--	--	3,571	--	47,658
Maintenance and repairs	--	--	--	--	47,658	--	299
Other	--	--	--	--	--	299	1,504,185
Housing and Development	--	--	--	--	3,360	--	--
Capital outlays	--	281,172	1,219,653	--	--	--	1,602,543
Debt service	--	--	--	--	--	--	116,470
Principal	--	136,190	1,466,353	--	--	--	--
Interest	--	16,282	100,188	--	--	--	5,680,697
TOTAL EXPENDITURES	500	1,289,029	4,038,045	40,381	312,443	299	3,451,517
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,269	(584,898)	(2,896,234)	(3,365)	24,711	--	310,740
OTHER FINANCING SOURCES							2,928,306
Operating transfer in	--	310,740	--	--	--	--	--
Proceeds from capital leases	--	274,158	2,654,148	--	--	--	112,550
Proceeds from general fixed asset disposition	--	--	112,550	--	--	--	--
TOTAL OTHER FINANCING SOURCES	--	584,898	2,766,698	--	--	--	3,351,596
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	8,269	--	(129,536)	(3,365)	24,711	--	(99,921)
Fund balance - October 1	18,022	--	128,654	6,273	--	--	152,949
Fund balance - September 30	\$ 26,291	\$ --	\$ 882	\$ 2,908	\$ 24,711	\$ --	\$ 53,028

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended September 30, 2002

	Court Supervision			Emergency 911		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Charges for services	\$ --	\$ --	\$ --	\$ 640,000	\$ 702,448	\$ 62,448
Intergovernmental revenue	--	--	--	1,400	--	(1,400)
Fines and forfeitures	10,000	8,495	(1,505)	--	--	--
Investment earnings	400	274	(126)	1,700	1,683	(17)
Donations	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--
TOTAL REVENUES	10,400	8,769	(1,631)	643,100	704,131	61,031
EXPENDITURES						
Judicial	10,400	500	9,900	--	--	--
Public safety	--	--	--	--	--	--
Personal services	--	--	--	695,568	682,661	12,907
Communications	--	--	--	73,000	73,799	(799)
Supplies	--	--	--	10,300	9,457	843
Maintenance and repairs	--	--	--	54,890	53,160	1,730
Utilities	--	--	--	11,700	11,767	(67)
Other	--	--	--	26,730	24,541	2,189
Capital outlays	--	--	--	281,172	281,172	--
Debt Service	--	--	--	--	--	--
Principal	--	--	--	136,190	136,190	--
Interest	--	--	--	16,282	16,282	--
TOTAL EXPENDITURES	10,400	500	9,900	1,305,832	1,289,029	16,803
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	--	8,269	8,269	(662,732)	(584,898)	77,834
OTHER FINANCING SOURCES						
Operating transfer in	--	--	--	395,073	310,740	(84,333)
Proceeds from capital leases	--	--	--	267,659	274,158	6,499
Proceeds from general fixed asset disposition	--	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES	--	--	--	662,732	584,898	(77,834)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ --	8,269	\$ 8,269	\$ --	--	\$ --
Fund balance - October 1		18,022			--	
Fund balance - September 30		\$ 26,291			\$ --	

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended September 30, 2002

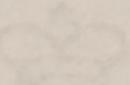
	Fire and Rescue			Law Library		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Charges for services	\$1,250,000	\$ 1,139,137	\$ (110,863)	\$ --	\$ --	\$ --
Intergovernmental revenue	--	--	--	--	--	--
Fines and forfeitures	--	--	--	50,000	36,906	(13,094)
Investment earnings	2,500	2,674	174	250	110	(140)
Donations	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--
TOTAL REVENUES	1,252,500	1,141,811	(110,689)	50,250	37,016	(13,234)
EXPENDITURES						
Judicial	--	--	--	50,250	40,381	9,869
Public safety						
Personal services	578,963	566,911	12,052	--	--	--
Communications	32,000	23,489	8,511	--	--	--
Supplies	135,200	126,269	8,931	--	--	--
Maintenance and repairs	191,600	228,013	(36,413)	--	--	--
Utilities	53,900	53,108	792	--	--	--
Other	266,500	254,061	12,439	--	--	--
Capital outlays	115,700	1,219,653	(1,103,953)	--	--	--
Debt service						
Principal	201,680	1,466,353	(1,264,673)	--	--	--
Interest	85,591	100,188	(14,597)	--	--	--
TOTAL EXPENDITURES	1,661,134	4,038,045	(2,376,911)	50,250	40,381	9,869
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(408,634)	(2,896,234)	(2,487,600)	--	(3,365)	(3,365)
OTHER FINANCING SOURCES						
Operating transfer in	--	--	--	--	--	--
Proceeds from capital leases	--	2,654,148	2,654,148	--	--	--
Proceeds from general fixed asset disposition	112,550	112,550	--	--	--	--
TOTAL OTHER FINANCING SOURCES	112,550	2,766,698	2,654,148	--	--	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (296,084)	(129,536)	\$ 166,548	\$ --	(3,365)	\$ (3,365)
Fund balance - October 1		128,654			6,273	
Fund balance - September 30		\$ (882)			\$ 2,908	

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended September 30, 2002

	Connection			Greenspace		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental revenues	522,300	322,888	(199,412)	--	299	299
Fines and forfeitures	--	--	--	--	--	--
Investment earnings	--	--	--	--	--	--
Donations	--	12,806	12,806	--	--	--
Miscellaneous	--	1,460	1,460	--	--	--
TOTAL REVENUES	<u>522,300</u>	<u>337,154</u>	<u>(185,146)</u>	<u>--</u>	<u>299</u>	<u>299</u>
EXPENDITURES						
Judicial	--	--	--	--	--	--
Health and Welfare						
Personal services	313,650	177,731	135,919	--	--	--
Communications	8,500	7,556	944	--	--	--
Supplies	30,477	72,567	(42,090)	--	--	--
Maintenance and repairs	13,000	3,571	9,429	--	--	--
Other	66,017	47,658	18,359	--	--	--
Housing and development	--	--	--	--	299	(299)
Capital outlays	6,000	3,360	2,640	--	--	--
Debt service						
Principal	--	--	--	--	--	--
Interest	--	--	--	--	--	--
TOTAL EXPENDITURES	<u>437,644</u>	<u>312,443</u>	<u>125,201</u>	<u>--</u>	<u>299</u>	<u>(299)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>84,656</u>	<u>24,711</u>	<u>(59,945)</u>	<u>--</u>	<u>--</u>	<u>--</u>
OTHER FINANCING SOURCES						
Operating transfer in	--	--	--	--	--	--
Proceeds from capital leases	--	--	--	--	--	--
Proceeds from fixed asset disposition	--	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 84,656</u>	<u>24,711</u>	<u>\$ (59,945)</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
Fund balance - October 1		--			--	
Fund balance - September 30		<u>\$ 24,711</u>			<u>\$ --</u>	

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended September 30, 2002

	Totals		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$1,890,000	\$ 1,841,585	\$(48,415)
Intergovernmental revenue	523,700	323,187	(200,513)
Fines and forfeitures	60,000	45,401	(14,599)
Investment earnings	4,850	4,741	(109)
Donations	--	12,806	12,806
Miscellaneous	--	1,460	1,460
TOTAL REVENUES	<u>2,478,550</u>	<u>2,229,180</u>	<u>(249,370)</u>
EXPENDITURES			
Judicial	60,650	40,881	19,769
Public safety			
Personal services	1,274,531	1,249,572	24,959
Communications	105,000	97,288	7,712
Supplies	145,500	135,726	9,774
Maintenance and repairs	246,490	281,173	(34,683)
Utilities	65,600	64,875	725
Other	293,230	278,602	14,628
Health and Welfare			
Personal services	313,650	177,731	135,919
Communications	8,500	7,556	944
Supplies	30,477	72,567	(42,090)
Maintenance and repairs	13,000	3,571	9,429
Other	66,017	47,658	18,359
Housing and development	--	299	(299)
Capital outlays	402,872	1,504,185	(1,101,313)
Debt service			
Principal	337,870	1,602,543	(1,264,673)
Interest	101,873	116,470	(14,597)
TOTAL EXPENDITURES	<u>3,465,260</u>	<u>5,680,697</u>	<u>(2,215,437)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(986,710)</u>	<u>(3,451,517)</u>	<u>(2,464,807)</u>
OTHER FINANCING SOURCES			
Operating transfer in	395,073	310,740	(84,333)
Proceeds from capital leases	267,659	2,928,306	2,660,647
Proceeds from general fixed asset disposition	112,550	112,550	--
TOTAL OPERATING SOURCES (USES)	<u>775,282</u>	<u>3,351,596</u>	<u>2,576,314</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$(211,428)</u>	<u>(99,921)</u>	<u>\$ 111,507</u>
Fund balance - October 1		<u>152,949</u>	
Fund balance - September 30		<u>\$ 53,028</u>	



EATON

DIAMOND WHITE SPUNNE

100% COTTON FIBERS

CAPITAL PROJECT FUNDS

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

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

Senior Center Fund - This fund is used to account for the construction of a senior center in LaFayette. The project is funded with a Community Development Block Grant.

Children's Shelter Fund - This fund is used to account for the construction of a Children's Emergency Shelter in Walker County. The project is funded with a Community Development Block Grant.

WALKER COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 September 30, 2002

	<u>Bond Construction</u>	<u>Senior Center</u>	<u>Children's Shelter</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 877,022	\$ 3,695	\$ 3,391	\$ 884,108
Restricted cash	105,499	--	--	105,499
Due from other funds	579,302	24,816	--	604,118
Due from other governments	<u>569,145</u>	<u>166,000</u>	<u>--</u>	<u>735,145</u>
TOTAL ASSETS	<u>\$2,130,968</u>	<u>\$ 194,511</u>	<u>\$ 3,391</u>	<u>\$2,328,870</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Accounts payable	\$ 52,192	\$ 194,511	\$ --	\$ 246,703
Deferred revenue	<u>--</u>	<u>--</u>	<u>3,391</u>	<u>3,391</u>
TOTAL LIABILITIES	52,192	194,511	3,391	250,094
EQUITY				
FUND BALANCE				
Reserved for completion of projects	<u>2,078,776</u>	<u>--</u>	<u>--</u>	<u>2,078,776</u>
TOTAL LIABILITIES AND EQUITY	<u>\$2,130,968</u>	<u>\$ 194,511</u>	<u>\$ 3,391</u>	<u>\$2,328,870</u>

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 ALL CAPITAL PROJECTS FUNDS
 For the Fiscal Year Ended September 30, 2002


	<u>Bond Construction</u>	<u>Senior Center</u>	<u>Children's Shelter</u>	<u>Total</u>
REVENUES				
SPLOST tax revenue	\$3,493,598	\$ --	\$ --	\$3,493,598
Investment earnings	31,270	--	--	31,270
Intergovernmental revenue	<u>150,000</u>	<u>486,801</u>	<u>31,609</u>	<u>668,410</u>
TOTAL REVENUE	<u>3,674,868</u>	<u>486,801</u>	<u>31,609</u>	<u>4,193,278</u>
EXPENDITURES				
Capital outlays	2,075,546	497,717	16,859	2,590,122
Debt service				
Principal	2,010,000	--	--	2,010,000
Interest	175,725	--	--	175,725
Other	<u>6,350</u>	<u>13,900</u>	<u>14,750</u>	<u>35,000</u>
TOTAL EXPENDITURES	<u>4,267,621</u>	<u>511,617</u>	<u>31,609</u>	<u>4,810,847</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(592,753)	(24,816)	--	(617,569)
OTHER FINANCING SOURCES				
Operating transfer in	<u>--</u>	<u>24,816</u>	<u>--</u>	<u>24,816</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(592,753)	--	--	(592,753)
Fund balance - October 1	<u>2,671,529</u>	<u>--</u>	<u>--</u>	<u>2,671,529</u>
Fund balance - September 30	<u>\$2,078,776</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$2,078,776</u>

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 ALL CAPITAL PROJECTS FUNDS
 For the Fiscal Year Ended September 30, 2002

	Bond Construction			Senior Center		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
SPLOST tax revenue	\$18,750,000	\$3,493,598	\$(15,256,402)	\$ --	\$ --	\$ --
Investment earnings	--	31,270	31,270	--	--	--
Intergovernmental revenue	--	150,000	150,000	275,000	486,801	211,801
TOTAL REVENUE	18,750,000	3,674,868	(15,075,132)	275,000	486,801	211,801
EXPENDITURES						
Capital outlays	18,750,000	2,075,546	16,674,454	250,000	497,717	(247,717)
Debt service						
Principal	--	2,010,000	(2,010,000)	--	--	--
Interest	--	175,725	(175,725)	--	--	--
Other	--	6,350	(6,350)	25,000	13,900	11,100
TOTAL EXPENDITURES	18,750,000	4,267,621	14,482,379	275,000	511,617	(236,617)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	(592,753)	(592,753)	--	(24,816)	(24,816)
OTHER FINANCING SOURCES						
Operating transfers in	--	--	--	--	24,816	24,816
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ --	(592,753)	\$(592,753)	\$ --	--	\$ --
Fund balance - October 1		2,671,529			\$ --	
Fund balance - September 30		\$2,078,776			\$ --	

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 ALL CAPITAL PROJECTS FUNDS
 For the Fiscal Year Ended September 30, 2002

	Children's Shelter			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
SPLOST tax revenue	\$ --	\$ --	\$ --	\$18,750,000	\$3,493,598	\$ (15,256,402)
Investment earnings	--	--	--	--	31,270	31,270
Intergovernmental revenue	40,000	31,609	(8,391)	315,000	668,410	353,410
TOTAL REVENUE	40,000	31,609	(8,391)	19,065,000	4,193,278	(14,871,722)
EXPENDITURES						
Capital outlays	25,000	16,859	8,141	19,025,000	2,590,122	16,434,878
Debt service						
Principal	--	--	--	--	2,010,000	(2,010,000)
Interest	--	--	--	--	175,725	(175,725)
Other	15,000	14,750	250	40,000	35,000	5,000
TOTAL EXPENDITURES	40,000	31,609	8,391	19,065,000	4,810,847	14,254,153
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	(617,569)	(617,569)
OTHER FINANCING SOURCES						
Operating transfers in	--	--	--	--	24,816	24,816
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ --	--	\$ --	\$ --	(592,753)	\$ (592,753)
Fund balance - October 1					2,671,529	
Fund balance - September 30		\$ --			\$2,078,776	



EATON
GERRARD & HWY 7
EASTON, ONTARIO

INTERNAL SERVICE FUND

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

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

WALKER COUNTY, GEORGIA

BALANCE SHEET
INTERNAL SERVICE FUND
(DENTAL AND DISABILITY)
September 30, 2002

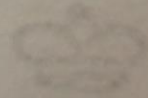
ASSETS		
Due from general fund		\$ <u>21,221</u>
TOTAL ASSETS		\$ <u>21,221</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Bank overdraft	\$	2,925
Accounts payable		<u>6,028</u>
TOTAL LIABILITIES		8,953
FUND EQUITY		
Retained earnings		<u>12,268</u>
TOTAL LIABILITIES AND FUND EQUITY	\$	<u>21,221</u>

WALKER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUND
(DENTAL AND DISABILITY)
For the Fiscal Year Ended September 30, 2002

REVENUES		
Charges for services	\$	83,805
OPERATING EXPENSES		
Claims paid		<u>75,594</u>
NET INCOME		8,211
Retained earnings - beginning		<u>4,057</u>
Retained earnings - ending	\$	<u>12,268</u>

DIAMOND WHITE SPAGNE
454 COTTON FIBRE
WALKER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
(DENTAL AND DISABILITY)
For the Fiscal Year Ended September 30, 2002

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 8,211
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in due from general fund	(18,038)
Increase in accounts payable	(813)
NET CASH USED IN OPERATING ACTIVITIES	(10,640)
NET INCREASE (DECREASE) IN CASH	(10,640)
Cash and cash equivalents - beginning of year	<u>7,715</u>
Cash and cash equivalents - end of year	\$ <u>(2,925)</u>



ENTERPRISE FUND

To account for operations financed and operated similar to businesses. Services rendered to the general public on a fee basis.

Landfill - Prior to September 30, 2001, this activity was accounted for in the General Fund. Management efforts to conform to state and federal guidelines prompted its separation from the General Fund. Its revenues are derived from user fees.

WALKER COUNTY, GEORGIA
 BALANCE SHEET
 ENTERPRISE FUND
 (LANDFILL)
 September 30, 2002

ASSETS	
Cash	\$ 418
Accounts receivable, net	63,337
Property and equipment, net	4,608,356
Restricted cash	<u>327,469</u>
TOTAL ASSETS	<u>\$4,999,580</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Due to other funds	\$ 453,757
Capital lease payable	1,090,208
Closure and post closure care cost	<u>2,862,377</u>
TOTAL LIABILITIES	<u>4,406,342</u>
FUND EQUITY	
Contributed capital	1,113,134
Retained earnings	<u>(519,896)</u>
TOTAL FUND EQUITY	<u>593,238</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$4,999,580</u>

WALKER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUND
(LANDFILL)
For the Fiscal Year Ended September 30, 2002

OPERATING REVENUES	
Charges for services	\$1,131,460
TOTAL OPERATING REVENUES	<u>1,131,460</u>
OPERATING EXPENSES	
Salaries	243,817
Employee benefits	67,710
Purchased services	42,772
Professional fees	31,861
Utilities	7,327
Repairs and maintenance	76,839
Depreciation and amortization	194,529
Bad debts	1,257
Supplies	35,035
Waste disposal	<u>822,211</u>
TOTAL OPERATING EXPENSES	<u>1,523,358</u>
Operating income (loss)	(391,898)
Nonoperating revenue	
Interest revenues	2,554
Miscellaneous revenues	<u>70</u>
TOTAL NONOPERATING REVENUE	<u>2,624</u>
NET INCOME (LOSS)	(389,274)
Depreciation on contributed assets	78,142
Net decrease in retained earnings	(311,132)
Retained earnings - beginning	<u>(208,764)</u>
Retained earnings - ending	\$ <u>(519,896)</u>

WALKER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
(LANDFILL)

For the Fiscal Year Ended September 30, 2002

CASH FLOW FROM OPERATING ACTIVITIES	
Operating loss	\$ (391,898)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Closure and post closure care costs	(104,497)
Depreciation	194,529
(Increase) decrease in accounts receivable	15,509
Increase (decrease) in accounts payable	(17,990)
Increase (decrease) in due to other funds	<u>333,406</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>29,059</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(794,422)
NET CASH USED IN FINANCING ACTIVITIES	<u>(794,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts of interest	2,554
Miscellaneous receipts	<u>70</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>2,624</u>
NET INCREASE (DECREASE) IN CASH	(762,739)
Cash and cash equivalents - beginning of year	<u>1,090,626</u>
Cash and cash equivalents - end of year	\$ <u>327,887</u>

EATON
DIAMOND WHITE GRADE
50% COTTON FIBRE

TRUST AND AGENCY FUNDS

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

AGENCY FUNDS

Tax Commissioner

Clerk of Courts

Probate Judge

Magistrate Judge

Special Purpose Sales Tax

TRUST FUNDS

Employee Pension Trust Fund

EATON

WALKER COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 ALL TRUST AND AGENCY FUNDS
 September 30, 2002

	AGENCY FUNDS					TRUST FUNDS		Total
	Tax Commissioner	Clerk of Courts	Probate Judge	Magistrate Judge	Special Purpose Local Option Sales Tax	Pension Trust Fund		
ASSETS								
Cash	\$ 662,591	\$ 944,027	\$ 86,435	\$ 25,816	\$ 595,370	\$ --	\$2,314,239	
Investments	--	--	--	--	--	3,486,682	3,486,682	
Receivables (net of allowance for uncollectibles):								
Taxes	2,462,186	--	--	--	--	--	2,462,186	
Accounts	1,305,706	--	--	--	--	--	1,305,706	
Restricted cash	--	11,616	--	--	--	--	11,616	
TOTAL ASSETS	\$4,430,483	\$ 955,643	\$ 86,435	\$ 25,816	\$ 595,370	\$3,486,682	\$9,580,429	
LIABILITIES AND FUND EQUITY								
LIABILITIES								
Due to other governments	\$ 581,384	\$ 144,440	\$ --	\$ 13,717	\$ 595,370	\$ --	\$1,334,911	
Due to other funds	81,207	267,834	3,230	12,099	--	--	364,370	
Due to heirs, litigants, and others	--	543,369	83,205	--	--	--	626,574	
Deferred revenue	3,767,892	--	--	--	--	--	3,767,892	
TOTAL LIABILITIES	4,430,483	955,643	86,435	25,816	595,370	--	6,093,747	
FUND BALANCES								
Reserved for retirement benefits	--	--	--	--	--	3,486,682	3,486,682	
TOTAL FUND BALANCES	--	--	--	--	--	3,486,682	3,486,682	
TOTAL LIABILITIES AND FUND EQUITY	\$4,430,483	\$ 955,643	\$ 86,435	\$ 25,816	\$ 595,370	\$3,486,682	\$9,580,429	

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the Fiscal Year Ended September 30, 2002

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$ 2,858,389	\$25,465,816	\$26,009,966	\$ 2,314,239
Taxes receivable	2,300,395	15,350,804	15,189,013	2,462,186
Accounts receivable	1,338,385	1,233,916	1,266,595	1,305,706
Restricted cash	<u>36,120</u>	<u>--</u>	<u>24,504</u>	<u>11,616</u>
TOTAL ASSETS	\$ <u>6,533,289</u>	\$ <u>42,050,536</u>	\$ <u>42,490,078</u>	\$ <u>6,093,747</u>
LIABILITIES				
Due to other funds	\$ 527,033	\$ 6,043,476	\$ 6,206,139	\$ 364,370
Due to other governments	2,099,400	18,124,797	18,889,286	1,334,911
Due to heirs, litigants, and others	555,519	937,918	866,863	626,574
Deferred revenue	<u>3,351,337</u>	<u>3,767,892</u>	<u>3,351,337</u>	<u>3,767,892</u>
TOTAL LIABILITIES	\$ <u>6,533,289</u>	\$ <u>28,874,083</u>	\$ <u>29,313,625</u>	\$ <u>6,093,747</u>



EATON
 DIAMOND WHITE OPAQUE
 55% COTTON FIBRE

WALKER COUNTY, GEORGIA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 TAX COMMISSIONER
 For the Fiscal Year Ended September 30, 2002

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$ 563,462	\$21,688,642	\$21,589,513	\$ 662,591
Taxes receivable	2,300,395	15,350,804	15,189,013	2,462,186
Accounts receivable	<u>1,338,385</u>	<u>1,233,916</u>	<u>1,266,595</u>	<u>1,305,706</u>
TOTAL ASSETS	\$ <u>4,202,242</u>	\$ <u>38,273,362</u>	\$ <u>38,045,121</u>	\$ <u>4,430,483</u>
LIABILITIES				
Due to other funds	\$ 388,133	\$ 4,563,206	\$ 4,870,132	\$ 81,207
Due to other governments	462,772	16,780,736	16,662,124	581,384
Deferred revenue	<u>3,351,337</u>	<u>3,767,892</u>	<u>3,351,337</u>	<u>3,767,892</u>
TOTAL LIABILITIES	\$ <u>4,202,242</u>	\$ <u>25,111,834</u>	\$ <u>24,883,593</u>	\$ <u>4,430,483</u>

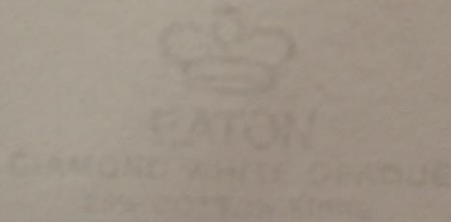
WALKER COUNTY, GEORGIA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 CLERK OF COURTS
 For the Fiscal Year Ended September 30, 2002

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$ 704,442	\$3,314,257	\$3,074,672	\$ 944,027
Restricted cash	<u>36,120</u>	<u>--</u>	<u>24,504</u>	<u>11,616</u>
TOTAL ASSETS	<u>\$ 740,562</u>	<u>\$3,314,257</u>	<u>\$3,099,176</u>	<u>\$ 955,643</u>
LIABILITIES				
Due to other funds	\$ 126,551	\$1,293,850	\$1,152,567	\$ 267,834
Due to other governments	87,211	1,130,705	1,073,476	144,440
Due to heirs, litigants, and others	<u>526,800</u>	<u>875,123</u>	<u>858,554</u>	<u>543,369</u>
TOTAL LIABILITIES	<u>\$ 740,562</u>	<u>\$3,299,678</u>	<u>\$3,084,597</u>	<u>\$ 955,643</u>

EATON
 DIAMOND WHITE TRADE
 275 JEFFERSON FIRM

WALKER COUNTY, GEORGIA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 PROBATE JUDGE
 For the Fiscal Year Ended September 30, 2002

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$ <u>32,098</u>	\$ <u>114,260</u>	\$ <u>59,923</u>	\$ <u>86,435</u>
TOTAL ASSETS	\$ <u>32,098</u>	\$ <u>114,260</u>	\$ <u>59,923</u>	\$ <u>86,435</u>
LIABILITIES				
Due to other funds	\$ 3,379	\$ 51,119	\$ 51,268	\$ 3,230
Due to heirs, litigants, and others	<u>28,719</u>	<u>62,795</u>	<u>8,309</u>	<u>83,205</u>
TOTAL LIABILITIES	\$ <u>32,098</u>	\$ <u>113,914</u>	\$ <u>59,577</u>	\$ <u>86,435</u>

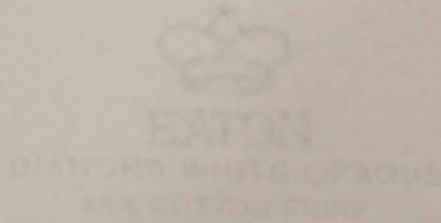


WALKER COUNTY, GEORGIA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 MAGISTRATE COURT
 For the Fiscal Year Ended September 30, 2002

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$ 24,555	\$ 335,999	\$ 334,738	\$ 25,816
TOTAL ASSETS	<u>\$ 24,555</u>	<u>\$ 335,999</u>	<u>\$ 334,738</u>	<u>\$ 25,816</u>
LIABILITIES				
Due to other funds	\$ 8,970	\$ 135,301	\$ 132,172	\$ 12,099
Due to other governments	<u>15,585</u>	<u>200,698</u>	<u>202,566</u>	<u>13,717</u>
TOTAL LIABILITIES	<u>\$ 24,555</u>	<u>\$ 335,999</u>	<u>\$ 334,738</u>	<u>\$ 25,816</u>

WALKER COUNTY, GEORGIA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 SPECIAL PURPOSE LOCAL OPTION SALES TAX
 For the Fiscal Year Ended September 30, 2002

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$ <u>1,533,832</u>	\$ <u>12,658</u>	\$ <u>951,120</u>	\$ <u>595,370</u>
TOTAL ASSETS	\$ <u>1,533,832</u>	\$ <u>12,658</u>	\$ <u>951,120</u>	\$ <u>595,370</u>
LIABILITIES				
Due to other governments	\$ <u>1,533,832</u>	\$ <u>12,658</u>	\$ <u>951,120</u>	\$ <u>595,370</u>
TOTAL LIABILITIES	\$ <u>1,533,832</u>	\$ <u>12,658</u>	\$ <u>951,120</u>	\$ <u>595,370</u>



WALKER COUNTY, GEORGIA
STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUND
September 30, 2002

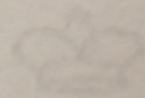
ASSETS	
Investments	<u>\$3,486,682</u>
FUND BALANCE	
Reserved for employee's pension benefits	<u>\$3,486,682</u>

WALKER COUNTY, GEORGIA
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
For the Fiscal Year Ended September 30, 2002

ADDITIONS	
Contributions	
Employer	\$ 531,506
Total contributions	<u>531,506</u>
Investment income	
Interest	<u>125,242</u>
Net investment income	<u>125,242</u>
Total additions	<u>656,748</u>
DEDUCTIONS	
Contractual services	43,764
Pension benefits	424,760
Life insurance	<u>27,506</u>
Total deductions	<u>496,030</u>
NET INCREASE	160,718
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year	<u>3,325,964</u>
End of year	<u>\$3,486,682</u>

100% COTTON FIBRE

SUPPLEMENTAL INFORMATION



EATON

DIAMOND WHITE OPAQUE
100% COTTON FIBRE

WALKER COUNTY, GEORGIA
PUBLIC EMPLOYEES RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
September 30, 2002

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (a) + (b)	Unfunded* AAL (UAAL) (b)	Funded Ratio a / (a+b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b/c)
01/01/93	783,247	1,604,384	821,137	48.8%	2,925,571	28.1%
01/01/94	1,209,416	1,877,752	668,336	64.4%	3,586,867	18.6%
01/01/95	1,275,118	2,094,519	819,401	60.9%	3,642,240	22.5%
01/01/96	1,709,812	2,414,420	704,608	70.8%	4,160,648	16.9%
01/01/97	1,658,778	2,329,076	670,298	71.2%	4,483,955	14.9%
01/01/98	1,742,773	2,433,323	690,550	71.6%	4,647,077	14.9%
01/01/99	2,309,409	2,902,921	593,512	79.6%	5,042,778	11.8%
01/01/00	2,867,526	3,553,479	685,953	80.7%	5,028,457	13.6%
01/01/01	3,325,964	3,975,028	649,064	83.7%	4,794,350	13.5%
01/01/02	3,486,682	4,059,602	572,920	85.9%	5,691,074	10.1%

All annual contributions presented in these required supplementary schedules were determined as part of the actuarial valuations at the dates indicated.

*Unfunded frozen actuarial liability was reestablished as of January 1, 1992.

WALKER COUNTY, GEORGIA
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 September 30, 2002

<u>Plan Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
01/01/93	\$ 176,805	\$ 0	0.0
01/01/94	221,839	365,238	164.6
01/01/95	260,782	250,000	95.9
01/01/96	290,635	394,849	135.9
01/01/97	340,351	414,841	121.9
01/01/98	393,430	418,901	106.5
01/01/99	440,693	532,518	120.8
01/01/00	448,758	469,203	104.6
01/01/01	522,290	560,921	107.4
01/01/02	475,741	551,981	116.3

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated.

Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/2002
Actuarial cost method	Frozen entry age
Amortization method	Level dollar
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	5.0%
Projected rate of inflation	5.0%

WALKER COUNTY, GEORGIA
ONEGEORGIA AUTHORITY GRANT PROGRAM
SOURCE AND APPLICATION OF FUNDS SCHEDULE
For the Fiscal Year Ended September 30, 2002

Grant#:01ge-146-1-4042

I.	Total fiscal year 2002 OneGeorgia Authority Funds awarded to recipient:	\$150,000
II.	Total amount drawdown by recipient from OneGeorgia Authority:	\$150,000
III.	Less: OneGeorgia Authority Funds expended by recipient:	\$150,000
IV.	Amount of fiscal year 2002 OneGeorgia Authority Funds held by recipient:	\$ --

WALKER COUNTY, GEORGIA
 ONEGEORGIA AUTHORITY GRANT PROGRAM
 PROJECT COST SCHEDULE
 For the Fiscal Year Ended September 30, 2002

Grant#: 0lge-146-1-4042

<u>Program Activity</u>	<u>OGA Activity Number</u>	<u>Latest Approved Budget (OGA Funds)</u>	<u>Accumulative OGA Expenditures to Date</u>	<u>Accumulative Expenditures to Date (Other Funds)</u>	<u>Grand Total of Expenditures to Date</u>	<u>Questioned Costs</u>
Site preparation	G80-1101-1	\$150,000	\$150,000	\$ 23,080	\$ 173,080	\$ --
Capital investment		--	--	350,000	350,000	--
Building						
construction		--	--	2,383,393	2,383,393	--
Capital equipment						
investment		--	--	987,970	987,970	--
Total		<u>\$150,000</u>	<u>\$150,000</u>	<u>\$3,744,443</u>	<u>\$3,894,443</u>	<u>\$ --</u>

Source of Other Funds: Matching and additional financing



EATON
DRAWING
WALKER COUNTY, GEORGIA
GEORGIA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SOURCE AND APPLICATION OF FUNDS SCHEDULE
For the Fiscal Year Ended September 30, 2002

Grant#: 00p-z-146-1-2399

I.	Total fiscal year 2002 Community Development Block Grant Funds awarded to recipient:	\$317,106
II.	Total amount drawdown by recipient from the Department of Community Affairs:	\$330,305
III.	Less: Community Development Block Grant Funds expended by recipient:	\$330,305
IV.	Amount of fiscal year 2002 Community Development Block Grant Funds held by recipient:	\$ --

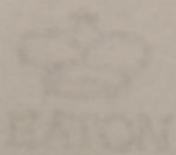
WALKER COUNTY, GEORGIA
 GEORGIA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
 SOURCE AND APPLICATION OF FUNDS SCHEDULE
 For the Fiscal Year Ended September 30, 2002

Grant#: 00p-z-146-1-2399

<u>Program Activity</u>	<u>Activity Number</u>	<u>Latest Approved Budget</u>	<u>Accumulative Expenditures to Date</u>	<u>Accumulative Expenditures to Date (Other Funds)</u>	<u>Grand Total of Expenditures to Date</u>	<u>Questioned Costs</u>
Construction	P-03A-00	\$476,000	\$309,055	\$ --	\$309,055	\$ --
Administration	A-21A-00	24,000	21,250	--	21,250	--
Total		<u>\$500,000</u>	<u>\$330,305</u>	<u>\$ --</u>	<u>\$330,305</u>	<u>\$ --</u>

EATON
DIAMOND WHITE OPAQUE
275 COTTON FINN

COMPLIANCE



**BURK PEARLMAN
&
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CERTIFIED PUBLIC ACCOUNTANTS

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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, Georgia
LaFayette, Georgia 30728

We have audited the general purpose financial statements of Walker County, Georgia, as of and for the fiscal year ended September 30, 2002, and have issued our report thereon dated February 14, 2003, which was qualified because general fixed assets acquired prior to 1984 were not recorded in the General Fixed Assets Account Group. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We did not audit the financial statements of the component unit, the Walker County Health Department. 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 Health Department in the Component Unit column is based on the report of other auditors.

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 item 01-4.

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 effect 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 98-2 through 02-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 01-3 and 01-4 to be material weaknesses.

This report is intended solely for the information and use of the commissioner, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Burk, Pearman, Nelson, Higgins, PLLC

Chattanooga, Tennessee
February 14, 2003



EATON

DIAMOND WHITE OPAQUE

2 1/2" COTTON FIBER

**BURK PEARLMAN
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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, Georgia
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 fiscal year ended September 30, 2002. 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.

Walker County, Georgia's, general purpose financial statements include the operations of the Walker County Health Department component unit which received \$150,000 in federal awards which is not included in the schedule during the year ended June 30, 2002. Our audit, described below, did not include the operations of the Walker County Health Department component unit because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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, Georgia, 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, 2002.

Internal Control Over Compliance

The management of Walker County, Georgia, 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 solely for the information and use of the commissioner, management, federal awarding agencies and pass-through entities and specified legislative or regulatory bodies, and is not intended to be and should not be used by anyone other than these specified parties.

Burk, Pearman, Nelson, Huggins, PLLC

Chattanooga, Tennessee
February 14, 2003

WALKER COUNTY, GEORGIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended September 30, 2002

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF JUSTICE			
Direct Award			
Bureau of Justice Assistance		B01-8-064	
Multi-Jurisdictional Task Force	16.579	B02-8-063	\$ 315,875
COPS Domestic Violence	16.710	1995CFWX4100 1996DVWX0285	46,721
Passed through State Council of Juvenile Court Judges			
Purchase of services for Juvenile Offenders Program	16.523	01B-ST-0001	7,616
Passed through State Criminal Justice Coordinating Council			
Victims of Crime Act (VOCA)	16.575	C00-8-134	39,861
Passed through State Criminal Justice Coordinating Council			
Domestic Violence (VAWA)	16.588	W00-8-034 W01-8-028	82,850
Passed through Bureau of Justice Assistance Office of Justice Programs			
Local Law Enforcement Block Grants	16.592	2001LB-BX-1254 2002LB-BX-0040	<u>26,011</u>
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>518,934</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through State Department of Community Development			
Community Development Block - State Grant	14.219	00P-Z-146-2399 01P-Y-146-1-2531	<u>352,000</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed through State Department of Transportation			
Transit Operating Assistance	20.509	MTG00-010000061 MTG00-010000113	<u>267,286</u>
TOTAL FEDERAL ASSISTANCE			<u>\$1,138,220</u>

WALKER COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2002

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The schedule of expenditures of federal awards included the federal grant activity of Walker County, Georgia and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Subrecipient

The County did not provide Federal assistance to any subrecipient.

WALKER COUNTY, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2002

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Finding Control Number and Status

98-2 The County has failed to implement the corrective action plan.

Corrective Action/Response

When the implementation of GASB 34 goes into effect the County should have their fixed asset files in compliance with regulations.

98-5 The Clerk of Courts has implemented the corrective action plan. Due to the extended period of time certain funds are held by this office awaiting direction from the courts, the final determination of funds received but undisbursed has not been completed.

00-1 Previously reported corrective action plan implemented. The finding is closed.

01-1 Previously reported corrective action plan implemented. The finding is closed.

01-2 Previously reported corrective action plan implemented. The finding is closed.

01-3 The County has partially implemented the correction action plan.

Corrective Action/Response

The County has designated an employee as the grant coordinator. She will be responsible for maintaining grant documents and obtaining and verifying compliance issues on each grant. She will work with the individual grant administrators in order to insure that the accounting system provides for accumulating and recording expenditures by grant and cost category as shown in the grant budgets. She will also be responsible for verifying that grant reporting is done timely and that any correspondence between the grant agency and the County is given to the appropriate individuals.

01-4 A. Commissioner's Office

The County has failed to implement the corrective action plan. The personnel department is reviewing personnel files for omitted or outdated documentation in order to verify that the files are complete and up to date.

B. Sheriff's Department

Previously reported corrective action plan implemented. The finding is closed.

01-5 Previously reported corrective action plan implemented. The finding is closed.

01-6 Previously reported corrective action plan implemented. The finding is closed.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2002

SECTION I - SUMMARY OF AUDITOR'S 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 that are 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 that are 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 Section 510(a)
of Circular A-133? Yes No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Programs or Cluster</u>
14.219	State Department of Community Development Community Development Block-State Grant
16.579	Bureau of Justice Award Multi-Jurisdictional Task Force

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2002

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 98-2: FIXED ASSETS

Condition: Prior to 1984, fixed asset records were not maintained. An up-to-date record of fixed assets has not been prepared for all county assets and 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. This condition has been a finding since fiscal year 1998.

Criteria: Internal control procedures are 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.

Effect: The yearly audit report is qualified.

Auditor's Recommendation: We recommend a fixed assets/inventory system be maintained that properly records the receipt and deletion of fixed assets. A County wide capitalization policy should be put into practice. We recommend that a written capitalization policy be implemented on all expenditure items with lives greater than one year and equal to or greater than \$5,000. With implementation of GASB 34 in fiscal year 2003 the County expects to have their fixed asset files in compliance with regulations.

Finding 01-3: GRANT RECORDS

A. Commissioner's Office

Condition: The present filing procedures for grants and awards remains inadequate. A central office to account for and maintain records for all grant and award programs has been established; however, the accounting records and compliance requirements have yet to be maintained in a manner which effectively monitors compliance.

Criteria: Internal control procedures should be implemented to assure that the compliance requirements on all grants are adhered to and properly monitored. Additionally, procedures should be put in place to provide reasonable assurance that program income is correctly recorded and reconciled to the general ledger on a monthly basis.

Effect: Due to inadequate supervision and monitoring of decentralized program operations, the accounting records were not appropriately maintained. Resulting noncompliance with grant requirements can produce possible future grant losses.

Auditor's Recommendation: We recommend that one individual be in charge of and maintain the accounting records on all grant and award programs. This grant coordinator should be responsible for obtaining and verifying all compliance issues on each grant and, if necessary, advise the departments when they are not in compliance with grant regulations. The accounting system should provide for accumulating and recording expenditures by grant and cost category as shown in the approved budget. Also, grant and award programs should be posted properly and reconciled to the general ledger on a monthly basis. When grant or award money is received, a copy of such receipt and documentation should be sent to the appropriate department and grant coordinator.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2002

Finding 01-4: PAYROLL AND RELATED LIABILITIES

Commissioner's Office

Condition: Insufficient documentation pertaining to employee personnel files was noted. Records of additions to or deductions from wages, and signed authorization forms approving employee pay raises, were missing from employee personnel files. Records should be maintained of vacation days earned, used, carried over, and expired. Each department must report this information to the central payroll department when time sheets are turned in for each pay period. Additionally, applications and written authority from supervisors are not always required to add individuals to the payroll. The condition was a prior year finding.

Criteria: Internal control procedures should be in place to provide reasonable assurance that payroll is computed using rates and other factors in accordance with contracts, relevant laws and regulations, and to insure that payroll disbursements are made only for the work authorized and performed.

Effect: Due to the lack of adequate payroll documentation and inadequate internal control procedures, there is a possibility of employees salaries and wages being computed incorrectly, allocated to programs in amounts not supportable, or out of compliance with relevant regulations.

Recommendations: Internal control procedures must be implemented to provide reasonable assurance that employee personnel files are maintained on all county employees. We recommend that the employee files should include the correct supporting documentation in accordance with Regulations 29 CFR Part 516 and the recordkeeping requirements should be in accordance with the Fair Standards Labor Act. We recommend that before the disbursing of an employee's payroll check, all required forms and supporting documentation be obtained for this employee. Additionally, a policy for using and carrying over vacation days earned, used, carried over and expired should be established and the recordkeeping to provide complete and accurate reports of such should be maintained.

FINDING 02-1:

Condition: The County does not have a policy for collection of past due accounts receivable or for suspension of service to customers with delinquent balances in the landfill fund.

Criteria: Procedures should be in place to facilitate collection of past due accounts receivable as well as a policy on when to discontinue service to these customers.

Effect: Lack of these procedures results in lost revenue to the County as well as expense incurred for waste hauling on amounts not collected.

Recommendation: Procedures should be implemented to reduce past due accounts. These procedures should include periodic review of an accounts receivable aging report, past due notices and telephone calls to past due customers and use of a collection agency or similar means. To reduce the likelihood of significant bad debts, all customers with past due balances in excess of 30 days should be prevented from using the County landfill.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2002

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Walker County, Georgia, has no federal award findings and questioned costs to report.



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DIAMOND WHITE OPALQUE

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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 general purpose financial statements of Walker County, Georgia, as of and for the fiscal year ended September 30, 2002, and have issued our report thereon dated February 14, 2003. 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 auditing standards generally accepted in the United States of America 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 calling 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 and expenditures incurred for each project through September 30, 2002, the end of the fiscal year covered by this audit.

Burk, Pearlman, Nebben, Huggins, PLLC

Chattanooga, Tennessee
February 14, 2003

WALKER COUNTY, GEORGIA
 SCHEDULE OF PROJECTS CONSTRUCTED WITH
 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
 ADOPTED APRIL 27, 1993
 For the Fiscal Year Ended September 30, 2002

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Walker County:					
Fire stations	\$ 1,200,000	\$ 1,439,280	\$ --	\$ 1,439,280	100%
Water treatment plant	1,000,000	1,005,708	--	1,005,708	100
Landfill equipment	400,000	521,408	--	521,408	100
Courthouse renovation	900,000	1,668,946	--	1,668,946	100
Jail expansion	800,000	952,675	--	952,675	100
Lafayette sewer lines - Hwy 27	4,700,000	3,051,289	--	3,051,289	100
Walker Board of Education	4,500,000	2,893,414	855,992	3,749,406	85
Administrative expenses	--	5,032	--	5,032	--
	<u>13,500,000</u>	<u>11,537,752</u>	<u>855,992</u>	<u>12,393,744</u>	
CITY OF LAFAYETTE					
Sewer projects	1,600,150	1,751,194	406	1,751,600	100
Recreation facilities	500,000	500,000	--	500,000	100
CITY OF ROSSVILLE (Amended 2/98)					
Municipal building	--	107,824	--	107,824	100
Fire stations	150,000	118,678	37,831	156,509	85
Sewer projects	100,000	101,406	--	101,406	100
Recreation	50,000	50,000	--	50,000	100
Senior citizen center	836,250	904,876	--	904,876	100
CITY OF CHICKAMAUGA					
Fire station	50,000	68,657	--	68,657	100
Recreation	30,000	29,699	--	29,699	100
Senior citizen center	60,000	89,804	--	89,804	100
Water project	538,150	447,381	56,891	504,272	83
LOOKOUT MOUNTAIN					
Sewer project	466,150	435,994	--	435,994	100
Recreation	50,000	87,283	--	87,283	100
Fire protection	--	76,932	--	76,932	
CITY OF FT. OGLETHORPE					
Sewer projects	<u>69,300</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>\$18,000,000</u>	<u>\$16,307,480</u>	<u>\$ 951,120</u>	<u>\$17,258,600</u>	

The practice of leaving the interest earned within the account has resulted in overage of spending when compared to original budgeted amount.

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, 2002

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Water and sewer	\$ 1,600,000	\$ 1,961,617	\$ 67,274	\$ 2,028,891	100%
C & D landfill	5,900,000	2,795,351	359,635	3,154,986	90
Recreation	1,700,000	419,816	394,800	814,616	50
Renovation of courthouse	1,200,000	957,930	115,025	1,072,955	90
New agricultural center	400,000	593,329	1,019	594,348	100
Renovate, expand jail	1,200,000	1,900,157	8,014	1,908,171	100
New industrial park	1,000,000	1,173,414	118,417	1,291,831	100
Roads, streets, and bridges	5,750,000	1,522,127	1,011,362	2,533,489	50
Administration	--	17,826	6,350	24,176	--
Total for all projects	<u>\$18,750,000</u>	<u>\$11,341,567</u>	<u>\$ 2,081,896</u>	<u>\$13,423,463</u>	