

WALKER COUNTY, GEORGIA
ANNUAL FINANCIAL STATEMENTS
Year Ended September 30, 2009

WALKER COUNTY GEORGIA
ANNUAL FINANCIAL STATEMENTS
Year Ended September 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Commissioner
Walker County, Georgia
LaFayette, Georgia 30728

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Walker County, Georgia, as of and for the year ended September 30, 2009, which collectively comprise Walker County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Walker County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the 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, insofar as it relates to the amounts included for the Walker County Health Department, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, and based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Walker County, Georgia, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the 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 March 30, 2010, on our consideration of Walker County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and other required supplementary information on pages 3 through 11 and 40 through 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walker County, Georgia's basic financial statements. The combining and individual nonmajor 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 basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Schedule of Projects constructed with Special Local Option Sales Tax Proceeds as required by Georgia code section OCGA 48-8-121 are also not a required part of the basic financial statements of Walker County, Georgia. The schedule of grant activities on page 60, the schedule of expenditures of federal awards, and the schedule of projects constructed with special purpose local option sales tax proceeds have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The combining and individual nonmajor fund financial statements have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Burt, Peapack, Nelson, Higgins, PLLC

Chattanooga, Tennessee
March 30, 2010

WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Walker County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with the County's financial statements which follow this analysis.

FINANCIAL HIGHLIGHTS

- The assets of Walker County exceeded its liabilities at September 30, 2009 by \$86,648,677 (Net Assets), a decrease of \$3,011,123 from the prior year. Of this amount, \$9,412,125 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- In the county's business-type activities, expenditures exceeded revenues by \$755,162. Revenues were insufficient to recoup costs largely due to high depreciation expense and accrued postclosure costs. An operating transfer from the general fund was made to cover most of the loss.
- The county's governmental activities reported combining ending net assets of \$84,965,579, an decrease of \$2,771,400 over the prior year net assets. Of this amount, \$10,511,785 remains in the various funds as unrestricted.
- Walker County issued general obligation bonds with a face value of \$23,985,000 during FY2009. The bonds are to be retired with SPLOST funds over the next 6 years.
- Debt, other than the bond issue, decreased by \$928,483. This was primarily due to a note payment of \$297,600, and lease payments of \$693,711.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as trustee or agent for the benefit of those outside the government.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

These two statements report the County's net assets and changes in them. One can think of the County's net assets – the difference between assets and liabilities – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will need to be considered, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

In the Statement of Net Assets and the Statement of Activities, we divide the County into the following:

Governmental activities – Most of the County's basic services are reported here: Public safety (law enforcement and traffic control, fire and rescue services, and corrections and detention); health and welfare (health and social services); recreation and culture (including libraries); community development (planning, environmental management and cooperative extension); public works (roads); and general government administration (legislative, general and financial, elections and judicial). Property taxes, other local taxes and state and federal grants finance most of these activities.

Business-type activities – The County charges fees to customers to cover the cost of operations for its enterprise fund. The landfill is the only enterprise fund that the county maintains. The landfill maintains the County transfer station, the construction and demolition landfill, and the solid waste landfill, which was closed in 1998. Under federal guidelines, the County must maintain the solid waste landfill for 30 years after it is closed.

Component unit – The County includes the following separate entity in its report – Walker County Health Department. Although legally separate, this "component unit" is included because the County is financially accountable and provides operating and capital funding as well as oversight. The Health Department has a June 30 year end. Complete financial statements of the Health Department can be obtained from their office: 603 E. Villanow St., Lafayette, Georgia 30728.

FUND FINANCIAL STATEMENTS

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the County's most significant funds. The fund financial statements provide more information about the County's most significant funds – not the County as a whole.

The County has three kinds of funds:

Governmental funds – Most of the County's basic services are included in governmental funds, which focus on balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in an accompanying schedule of the governmental funds statement that explains the relationship (or differences) between them.

Proprietary funds – These funds are used to account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The County's proprietary fund type consists of the Walker County Landfill. The operation of this fund is generally intended to be self-supporting.

Fiduciary Funds – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statement – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons, progress in funding its obligation to provide pension benefits to its employees, and employer pension contributions.

WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. At the end of the current fiscal year, the county's assets exceeded liabilities by \$86,648,677. This excess is divided into two net asset categories. Investment in capital assets less any outstanding debt used to acquire these assets that is still outstanding is one of the components of net assets. Walker County uses these assets to provide service to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The other component is unrestricted net assets. The amount in this category normally represents amounts that may be used to meet the ongoing obligations to its citizens and creditors. The balance at September 30, 2009, is \$9,412,125 which may be used to meet the County's ongoing obligations.

Net Assets
September 30 2009 and 2008

	Governmental Activities		Business -type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Assets						
Current and other assets	\$ 29,282,451	\$ 17,337,714	\$ 42,202	\$ 31,562	\$ 29,324,653	\$ 17,369,276
Capital assets	87,134,968	78,844,312	3,014,179	3,283,713	90,149,147	82,128,025
Total assets	\$ 116,417,419	\$ 96,182,026	\$ 3,056,381	\$ 3,315,275	\$ 119,473,800	\$ 99,497,301
Liabilities						
Long-term liabilities	\$ 29,427,676	\$ 6,198,112	\$ 1,357,343	\$ 1,392,454	\$ 30,785,019	\$ 7,590,566
Other liabilities	2,024,164	2,246,935	15,940	-	2,040,104	2,246,935
Total liabilities	\$ 31,451,840	\$ 8,445,047	\$ 1,373,283	\$ 1,392,454	\$ 32,825,123	\$ 9,837,501
Net assets						
Invested in capital assets,						
net of related debt	\$ 74,453,794	\$ 77,159,014	\$ 2,782,758	\$ 2,948,897	\$ 77,236,552	\$ 80,107,911
Restricted	-	-	-	-	-	-
Unrestricted	10,511,785	10,577,965	(1,099,660)	(1,026,076)	9,412,125	9,551,889
Total net assets	\$ 84,965,579	\$ 87,736,979	\$ 1,683,098	\$ 1,922,821	\$ 86,648,677	\$ 89,659,800

Net assets of the County's governmental activities decreased by \$2,771,400 while the net assets of the business type activities decreased by \$239,723. The County's sole business activity is the Walker County Landfill. The landfill operated at a loss due to closure and depreciation expense.

Walker County's property tax revenue decreased 2.5% and sales tax revenue was down 3.0%. Approximately 30% of the County's total revenue from governmental activities came from sales tax and 23% from property tax. Charges for services amounted to about 21% of governmental revenue with grants and contributions contributing approximately 12%.

The County's largest expenses are Public Works (23%), Sheriff (19%) Public Safety (19%), Intergovernmental payments (12%) and Judicial (9%) of total governmental expenses.

WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

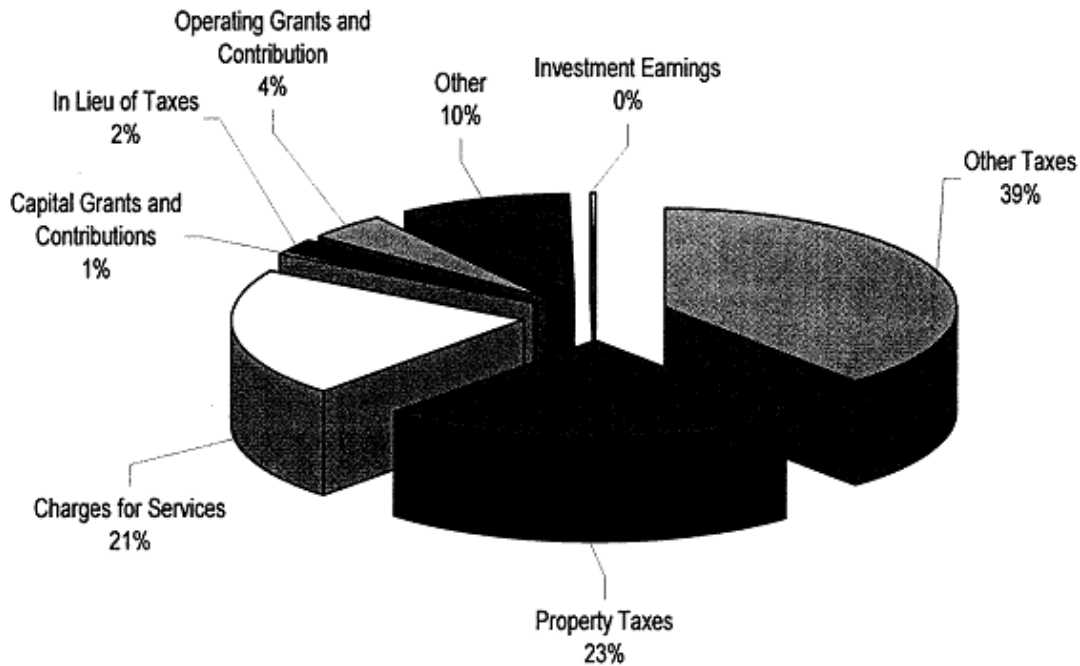
Changes in Net Assets
Year-ended September 30, 2009 and 2008

	Governmental		Business-type		Total	
	Activities		Activities		Primary	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	7,041,417	5,397,607	798,128	1,141,353	7,839,545	6,538,960
Operating Grants & Contributions	1,433,202	442,864	--	--	1,433,202	442,864
Capital Grants & Contributions	185,850	1,427,416	--	--	185,850	1,427,416
General Revenues:						
Property Taxes	7,739,349	7,942,326	--	--	7,739,349	7,942,326
Other Taxes	12,244,415	12,604,768	--	--	12,244,415	12,604,768
Other	4,415,799	3,012,101	(17,200)	--	4,398,599	3,012,101
Total Revenues	33,060,032	30,827,082	780,928	1,141,353	33,840,960	31,968,435
Expenses:						
General government	3,657,038	3,730,307	--	--	3,657,038	3,730,307
Judicial	3,088,288	2,811,854	--	--	3,088,288	2,811,854
Sheriff	6,740,487	6,783,823	--	--	6,740,487	6,783,823
Public Safety	6,528,791	4,561,704	--	--	6,528,791	4,561,704
Public Works	8,056,846	6,306,433	--	--	8,056,846	6,306,433
Health and Welfare	1,324,833	1,544,299	--	--	1,324,833	1,544,299
Recreation and Culture	662,240	495,163	--	--	662,240	495,163
Housing and Development	393,084	423,001	--	--	393,084	423,001
Intergovernment Payments	4,095,067	753,444	--	--	4,095,067	753,444
Interest on Long Term Debt	752,119	204,101	--	--	752,119	204,101
Solid Waste	--	--	1,553,290	1,820,983	1,553,290	1,820,983
Total Expenses	35,298,793	27,614,129	1,553,290	1,820,983	36,852,083	29,435,112
Increase (decrease) in net assets before transfers	(2,238,761)	3,212,953	(772,362)	(679,630)	(3,011,123)	2,533,323
Transfers	(532,639)	(96,774)	532,639	96,774	--	--
Increase (decrease) in net assets	(2,771,400)	3,116,179	(239,723)	(582,856)	(3,011,123)	2,533,323
Net assets - October 1	87,736,979	84,620,800	1,922,821	2,505,677	89,659,800	87,126,477
Net assets - September 30	84,965,579	87,736,979	1,683,098	1,922,821	86,648,677	89,659,800

WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Total government wide revenue of \$33,840,960 was comprised of governmental activities (\$33,060,032) and business type activities (\$780,928). The following chart illustrates the distribution of the governmental revenue. The revenue of the business type activity was almost solely charges for services. The predominate source of revenue is the other tax category which is primarily Local Option Sales Tax, Special Purpose Local Option Sales Tax and business taxes. Special Purpose Local Option Sales Tax revenue which totaled \$5,317,124 is specifically earmarked and cannot be used to finance the normal operations of the county.

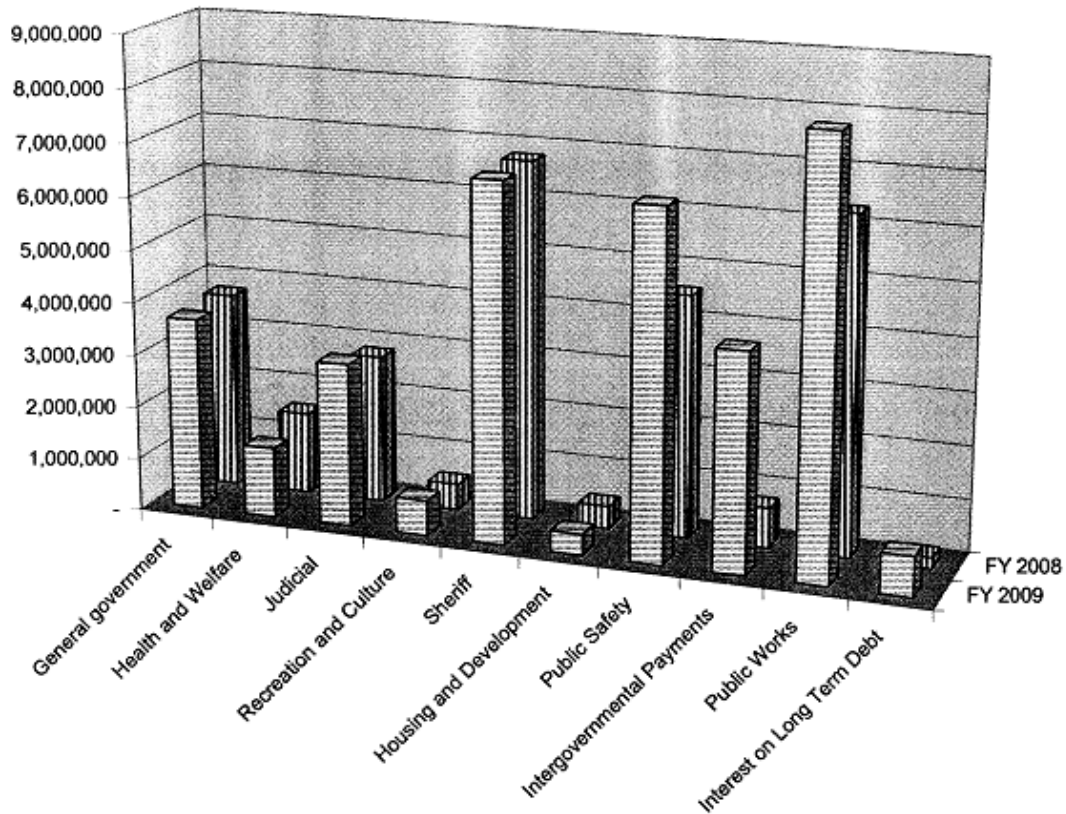
REVENUE BY SOURCE FOR GOVERNMENTAL ACTIVITIES



WALKER COUNTY, GEORGIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (Continued)

Government-wide expenses totaled \$36,852,083 for fiscal year 2009, including governmental activity expense of \$35,298,793 and business type activity expense of \$1,553,290. The following chart provides a comparative visual depiction of expenditures of the governmental activities by function for fiscal years 2009 and 2008.

COMPARATIVE EXPENSES BY FUNCTION - GOVERNMENTAL ACTIVITIES



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved, undesignated fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the County completed the year, its governmental funds reported a combined fund balance of \$20,259,782. All but \$28,000 constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for spending because it has already been committed. The reserved fund balance represents funds that are required to be expended on building maintenance.

The general fund is the chief operating fund of Walker County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$6,979,558. The unreserved fund balance decreased by \$483,442 during the current year. This decrease included operating transfers of \$1,330,579 to supplement operations of

WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

other funds. Among the operating transfers were \$424,274 to E911, \$224,148 to County transportation system, \$532,639 to landfill and \$149,519 required by federal and/or state grants as the county's matching share.

The focus of the fund financial statements is on major funds which generally represent the government's most important funds. Non-major funds are aggregated and presented in single columns. The major funds, other than the general fund, of Walker County and their fund balances at year-end are: Fire and Rescue, (\$11,760) and SPLOST 2008, \$13,081,307. The fund balance in Fire and Rescue increased by \$62,254. The fund balance in SPLOST 2008 represents the initial year of operation of SPLOST 2008 which began during fiscal year 2009.

Proprietary Funds – Walker County's proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements; therefore, the discussion of current year activity in the government-wide section is not duplicated here.

GENERAL FUND BUDGETARY HIGHLIGHTS

The county adopted a final budget after the end of the fiscal year. This amendment was primarily to account for the General Fund actual revenues exceeding budgeted revenues by \$2,357,767 and fund actual expenditures and other financing uses exceeding budgeted expenditures by \$2,845,219. The excess of revenues over budgeted revenues was primarily due to the following revenue categories where actual revenues exceeded budgeted revenues: contributions by \$2,453,728, other taxes by \$714,973 and charges for services by \$17,174.

The budget amendment as to expenditures was essentially to realign expenditures. This was to take into effect a portion of the Road Department expenditures for road projects, and charge against SPLOST revenue. This savings to general fund expenditures offset most of the excess expenditures generated by the various county departments in the general fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The County's investment in capital assets for its governmental funds as of September 30, 2009 totals \$87,134,968 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure. The County's investment in capital assets for the current fiscal year increased by \$8,290,656, net of accumulated depreciation. This was comprised of several significant items, the donation of \$2,379,647 of land and land right of ways, \$2,826,378 for the purchase of the Mountain Cove recreational area, \$415,886 for new industrial park, and the current year depreciation expense of \$4,088,204.

Major capital asset events during the current fiscal year included the following:

- . Land and buildings of the Mountain Cove farm was purchased with SPLOST funds to be used as a recreational area.
- . A new headquarters and training site was acquired for emergency services.
- . A new fire station and a combination community center/fire station began construction during the year.
- . A number of ambulances and related equipment was acquired as the county began operating the ambulance service for the county after the existing vendor quit providing the service.

WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Capital Assets at Year-end
September 30, 2009 and 2008

	Governmental		Business-type		Total	
	Activities		Activities		Primary	
	2009	2008	2009	2008	2009	2008
Non-depreciable assets:						
Land	\$4,531,193	\$1,974,887	\$--	\$--	\$4,531,193	\$1,974,887
Building	--	--	--	--	--	--
Construction in progress	986,866	374,163	--	--	986,866	374,163
Depreciable assets:						
Buildings and improvements	20,045,541	17,987,828	306,771	306,771	20,352,312	18,294,599
Machinery and equipment	20,076,305	16,196,760	1,656,678	1,685,052	21,732,983	17,881,812
Infrastructure	92,210,429	89,595,933	--	--	92,210,429	89,595,933
C&D Landfill	--	--	4,832,721	4,832,721	4,832,721	4,832,721
Total	137,850,334	126,129,571	6,796,170	6,824,544	144,646,504	132,954,115
Less: accumulated depreciation	(50,715,366)	(47,285,259)	(3,781,991)	(3,540,831)	(54,497,357)	(50,826,090)
Net capital assets	\$87,134,968	\$78,844,312	\$3,014,179	\$3,283,713	\$90,149,147	\$82,128,025

Additional information on the County's capital assets can be found in Note D to the financial statements in this report.

Debt – At the end of the current fiscal year, the County had total debt outstanding of \$30,785,019. This consisted of general obligation bonds, lease obligations, landfill closure and postclosure costs and compensated absences.

General obligation bonds with a face value of \$23,985,000 were sold at a premium of \$159,423. The bonds are to be retired with SPLOST funds over the next six years.

Outstanding Debt at Year End
September 30, 2009 and 2008

	Governmental		Business -type		Totals	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 24,122,936	\$--	\$--	\$--	\$ 24,122,936	\$--
Lease Obligations	2,070,896	2,661,212	231,421	334,816	2,302,317	2,996,028
Notes Payable	--	297,600	--	--	--	297,600
Compensated Absences	580,289	532,606	4,636	4,536	584,925	537,142
Landfill Closure Costs	2,653,555	2,706,694	1,121,286	1,053,102	3,774,841	3,759,796
Totals	\$ 29,427,676	\$ 6,198,112	\$ 1,357,343	\$ 1,392,454	\$ 30,785,019	\$ 7,590,566

WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Additional information on the County's debt can be found in Note H to the financial statements in this report.

ECONOMIC FACTORS AND THE 2010 BUDGET

Local Option Sales Tax continues to fall, down 4.7% in fiscal year 2009 compared to fiscal year 2008. The property tax digest grew \$13,623,890 (0.98%) while the net millage rate decreased less than 0.1 mill.

Walker County adopted its fiscal year 2010 budget October 29, 2009. The General Fund budget was adopted on the assumption that revenues would closely follow those of FY2009.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Walker County Accounting Department, P.O. Box 445, LaFayette, Georgia 30728.

WALKER COUNTY, GEORGIA
STATEMENT OF NET ASSETS
September 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Health Department
ASSETS				
Cash and cash equivalents	\$2,506,928	\$418	\$2,507,346	\$1,092,753
Restricted cash	166,319	--	166,319	--
Investments	13,306,561	--	13,306,561	--
Receivables:				
Taxes	7,124,218	--	7,124,218	--
Accounts	1,388,956	41,784	1,430,740	252
Due from other governments	4,086,429	--	4,086,429	128,759
Inventory	--	--	--	673
Prepaid expenses	232,253	--	232,253	--
Deferred charges	470,787	--	470,787	--
Capital assets not being depreciated	5,518,059	--	5,518,059	--
Capital assets, net of accumulated depreciation	<u>81,616,909</u>	<u>3,014,179</u>	<u>84,631,088</u>	<u>15,949</u>
TOTAL ASSETS	<u>116,417,419</u>	<u>3,056,381</u>	<u>119,473,800</u>	<u>1,238,386</u>
LIABILITIES				
Accounts payable and accrued expenses	1,695,722	15,940	1,711,662	1,876
Due to other governments	--	--	--	66,283
Due to heirs, litigants, and others	55,141	--	55,141	--
Deferred revenue	8,611	--	8,611	--
Accrued interest payable	264,690	--	264,690	--
Long-term liabilities -				
Portion due or payable within one year:				
Bonds payable	3,661,501	--	3,661,501	--
Capital leases	635,053	109,108	744,161	--
Compensated absences	361,618	4,636	366,254	83,871
Landfill closure and postclosure care costs	115,372	--	115,372	--
Portion due or payable after one year:				
Bonds payable	20,461,435	--	20,461,435	--
Capital leases	1,435,843	122,313	1,558,156	--
Compensated absences	218,671	--	218,671	--
Landfill closure and postclosure care costs	<u>2,538,183</u>	<u>1,121,286</u>	<u>3,659,469</u>	--
TOTAL LIABILITIES	<u>31,451,840</u>	<u>1,373,283</u>	<u>32,825,123</u>	<u>152,030</u>
NET ASSETS				
Invested in capital assets, net of related debt	74,453,794	2,782,758	77,236,552	15,949
Unrestricted	<u>10,511,785</u>	<u>(1,099,660)</u>	<u>9,412,125</u>	<u>1,070,407</u>
TOTAL NET ASSETS	<u>\$84,965,579</u>	<u>\$1,683,098</u>	<u>\$86,648,677</u>	<u>\$1,086,356</u>

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended September 30, 2009

FUNCTION/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$3,657,038	\$812,950	\$22,500	\$--	\$(2,821,588)		\$(2,821,588)	
Judicial	3,088,288	1,699,882	96,195	--	(1,292,211)		(1,292,211)	
Sheriff	6,740,487	279,900	2,988	--	(6,457,599)		(6,457,599)	
Public safety	6,528,791	4,159,466	2,880	23,588	(2,342,857)		(2,342,857)	
Public works	8,056,847	--	39,593	153,324	(7,863,930)		(7,863,930)	
Health and welfare	1,324,833	47,689	1,269,046	--	(8,098)		(8,098)	
Culture and recreation	662,240	41,530	--	8,938	(611,772)		(611,772)	
Housing and development	393,084	--	--	--	(393,084)		(393,084)	
Intergovernmental payments	4,095,067	--	--	--	(4,095,067)		(4,095,067)	
Interest on long-term debt	752,119	--	--	--	(752,119)		(752,119)	
Total governmental activities	<u>35,298,794</u>	<u>7,041,417</u>	<u>1,433,202</u>	<u>185,850</u>	<u>(26,638,325)</u>		<u>(26,638,825)</u>	
Business-type activities:								
Landfill	1,553,290	798,128	--	--	--	(755,162)	(755,162)	
Total business-type activities	<u>1,553,290</u>	<u>798,128</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(755,162)</u>	<u>(755,162)</u>	
Total primary government	<u>36,852,084</u>	<u>7,839,545</u>	<u>1,433,202</u>	<u>185,850</u>	<u>(26,638,325)</u>	<u>(755,162)</u>	<u>(27,393,487)</u>	
COMPONENT UNIT:								
Walker County Health Department	<u>\$1,530,591</u>	<u>\$452,347</u>	<u>\$893,518</u>	<u>\$--</u>				<u>\$(184,726)</u>
General Revenues:								
Taxes:								
General property taxes					7,739,349		7,739,349	
General sales and use tax					9,572,011		9,572,011	
Selective sales and use taxes					322,662		322,662	
Business taxes					2,349,742		2,349,742	
Penalties and interest on delinquent taxes					503,505		503,505	
In lieu of taxes					667,263		667,263	
Payment from Walker County								281,295
Unrestricted investment earnings					60,474		60,474	18,093
Gain (loss) on sale of capital assets					58,274	(17,200)	41,074	--
Miscellaneous					3,126,284		3,126,284	2,605
Transfers					(532,639)	532,639	--	--
Total General Revenues and Transfers					<u>23,866,925</u>	<u>515,439</u>	<u>24,382,364</u>	<u>301,993</u>
Change in net assets					(2,771,400)	(239,723)	(3,011,123)	117,267
Net assets - beginning					<u>87,736,979</u>	<u>1,922,821</u>	<u>89,659,800</u>	<u>969,089</u>
Net assets - ending					<u>\$84,965,579</u>	<u>\$1,683,098</u>	<u>\$86,648,677</u>	<u>\$1,086,356</u>

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009

	General Fund	Fire and Rescue	SPLOST 2008	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$2,051,372	\$366,641	\$--	\$88,915	\$2,506,928
Restricted cash	166,319	--	--	--	166,319
Investments	--	--	13,306,561	--	13,306,561
Receivables:					
Taxes	7,124,218	--	--	--	7,124,218
Accounts	392,594	886,322	--	110,040	1,388,956
Due from other funds	2,149,683	--	--	102,542	2,252,225
Due from other governments	<u>3,215,471</u>	--	<u>840,279</u>	<u>30,679</u>	<u>4,086,429</u>
TOTAL ASSETS	<u>\$15,099,657</u>	<u>\$1,252,963</u>	<u>\$14,146,840</u>	<u>\$332,176</u>	<u>\$30,831,636</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenses	\$1,510,861	\$152,010	\$--	\$45,299	\$1,708,170
Compensated absences	266,838	60,117	--	--	326,955
Due to other funds	102,541	988,562	1,065,533	95,589	2,252,225
Due to heirs, litigants, and others	55,141	--	--	--	55,141
Deferred revenue	<u>6,156,718</u>	<u>64,034</u>	--	<u>8,611</u>	<u>6,229,363</u>
TOTAL LIABILITIES	<u>8,092,099</u>	<u>1,264,723</u>	<u>1,065,533</u>	<u>149,499</u>	<u>10,571,854</u>
Fund Balances:					
Reserved for:					
Building maintenance	28,000	--	--	--	28,000
Unreserved, reported in:					
General fund	6,979,558	--	--	--	6,979,558
Special revenue funds	--	(11,760)	--	182,677	170,917
Capital projects funds	--	--	<u>13,081,307</u>	--	<u>13,081,307</u>
TOTAL FUND BALANCES	<u>7,007,558</u>	<u>(11,760)</u>	<u>13,081,307</u>	<u>182,677</u>	<u>20,259,782</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$15,099,657</u>	<u>\$1,252,963</u>	<u>\$14,146,840</u>	<u>\$332,176</u>	<u>\$30,831,636</u>

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
September 30, 2009

Total fund balances – governmental fund types		\$20,259,782
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	\$4,531,193	
Construction in progress	986,866	
Infrastructure, net of \$34,622,232 accumulated depreciation	57,588,198	
Buildings and improvements, net of \$4,626,205 accumulated depreciation	15,419,336	
Equipment, net of \$1,637,469 accumulated depreciation	2,797,944	
Vehicles, net of \$6,928,068 accumulated depreciation	4,579,837	
Trucks and construction equipment, net of \$2,901,393 accumulated depreciation	<u>1,231,594</u>	
		87,134,968
Some of the County's expenditures are charged directly to the statement of revenues and expenditures under the modified accrual basis of accounting. Under the full accrual basis, these expenditures are reported as prepaid.		232,253
County taxes and fire fees reported as revenue under the modified accrual basis, but not susceptible to accrual in the statement of net assets.		6,220,752
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities – both current and long-term – are reported in the statement of net assets. Balances at September 30, 2009, are:		
Accrued interest	(264,690)	
Bond issuance cost, net of amortization	470,787	
Bonds payable	(24,122,936)	
Capital leases	(2,070,896)	
Compensated absences	(240,886)	
Landfill closure and postclosure care costs	<u>(2,653,555)</u>	
Total long-term liabilities		<u>(28,882,176)</u>
TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$ 84,965,579

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended September 30, 2009

	General Fund	Fire and Rescue	SPLOST 2008	Other Governmental Funds	Total Governmental Funds
REVENUES					
General property taxes	\$6,664,464	\$--	\$--	\$--	\$6,664,464
Other taxes	7,789,973	--	5,317,124	--	13,107,097
Licenses and permits	120,995	--	--	--	120,995
Intergovernmental	667,264	--	--	1,619,052	2,286,316
Charges for services	779,374	3,392,226	--	767,614	4,939,214
Fines and forfeitures	1,658,078	--	--	41,470	1,699,548
Investment income	29,844	--	16,044	14,587	60,475
Contributions and donations	2,453,728	6,126	--	15,900	2,475,754
Rental income	418,934	--	--	--	418,934
Miscellaneous	480,758	972	--	30,377	512,107
TOTAL REVENUES	21,063,412	3,399,324	5,333,168	2,489,000	32,284,904
EXPENDITURES					
Current:					
General government	3,548,755	--	--	62,864	3,611,619
Judicial	2,829,379	--	--	168,278	2,997,657
Sheriff	6,445,159	--	--	8,613	6,453,772
Public safety	1,398,768	3,036,313	--	1,181,821	5,616,902
Public works	4,192,490	--	--	1,108,879	5,301,369
Health and welfare	580,762	--	--	541,388	1,122,150
Culture and recreation	492,857	--	--	30,552	523,409
Housing and development	379,101	--	--	--	379,101
Capital outlay	--	--	11,385,350	1,724,585	13,109,935
Debt service:					
Principal retirement	362,015	228,301	--	--	590,316
Interest	54,350	74,688	915,866	--	1,044,904
Intergovernmental payments	--	--	4,095,067	--	4,095,067
TOTAL EXPENDITURES	20,283,636	3,339,302	16,396,283	4,826,980	44,846,201
Excess (deficiency) of revenues over expenditures	779,776	60,022	(11,063,115)	(2,337,980)	(12,561,297)
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	--	797,941	797,941
Transfers out	(1,330,580)	--	--	--	(1,330,580)
Bonds issued	--	--	23,985,000	--	23,985,000
Premium on bonds issued	--	--	159,422	--	159,422
Sale of capital assets	67,362	2,232	--	--	69,594
TOTAL OTHER FINANCING SOURCES (USES)	(1,263,218)	2,232	24,144,422	797,941	23,681,377
Net changes in fund balance	(483,442)	62,254	13,081,307	(1,540,039)	11,120,080
Fund balances - beginning of year	7,491,000	(74,014)	--	1,722,716	9,139,702
Fund balances - end of year	\$7,007,558	\$(11,760)	\$13,081,307	\$182,677	\$20,259,782

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2009

Net changes in fund balances – total government funds		\$11,120,080
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. Capital outlay for the period was \$12,390,179 and the related depreciation expense was \$4,088,204.		8,301,975
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) decreases net assets.		(11,320)
Property taxes not reported as revenue under the modified accrual basis, but susceptible to accrual in the statement of net assets.		715,707
Fire fees reported as revenue under the modified accrual basis, but not susceptible to accrual in the statement of net assets.		1,144
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of general obligation bonds	(24,144,423)	
Bond issuance cost	470,787	
Amortization of bond premiums	21,487	
Note payment	297,600	
Capital lease obligation payments	<u>590,316</u>	
		(22,764,233)
Expenditures recognized under the modified accrual basis of accounting for governmental funds, but recorded as prepaid expenses under the accrual basis.		25,506
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified basis of accounting until due, rather than as it accrues.		
Compensated absences		(13,909)
Accrued interest		(199,489)
Landfill closure and postclosure care costs		<u>53,139</u>
Change in net assets of governmental activities		<u>\$(2,771,400)</u>

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2009

	Enterprise Fund
	Landfill
ASSETS	
CURRENT ASSETS	
Cash	\$418
Receivables, net of allowances	<u>41,784</u>
TOTAL CURRENT ASSETS	<u>42,202</u>
NONCURRENT ASSETS	
Capital assets, net of accumulated depreciation:	
C and D landfill	2,368,033
Buildings and improvements	215,948
Equipment	<u>430,198</u>
Total capital assets, net of accumulated depreciation	<u>3,014,179</u>
TOTAL NONCURRENT ASSETS	<u>3,014,179</u>
TOTAL ASSETS	<u>3,056,381</u>
LIABILITIES	
CURRENT LIABILITIES	
Accrued expenses	15,940
Compensated absences	4,636
Capital lease payable – short-term	<u>109,108</u>
TOTAL CURRENT LIABILITIES	<u>129,684</u>
NONCURRENT LIABILITIES	
Capital lease payable – long-term	122,313
Landfill closure and postclosure care costs – long-term	<u>1,121,286</u>
TOTAL NONCURRENT LIABILITIES	<u>1,243,599</u>
TOTAL LIABILITIES	<u>1,373,283</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,782,758
Unrestricted net assets (deficit)	<u>(1,099,660)</u>
TOTAL NET ASSETS	<u>\$1,683,098</u>

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
Year Ended September 30, 2009

	Enterprise Fund
	Landfill
OPERATING REVENUES	
Charges for services	\$798,128
TOTAL REVENUE	<u>798,128</u>
OPERATING EXPENSES	
Salaries	425,559
Employee benefits	78,846
Purchased services	393,492
Landfill closure/postclosure care costs	68,185
Professional fees	170,906
Repairs and maintenance	81,355
Depreciation	259,410
Supplies	<u>59,059</u>
TOTAL OPERATING EXPENSES	<u>1,536,812</u>
OPERATING INCOME (LOSS)	(738,684)
NONOPERATING REVENUES (EXPENSES)	
Interest expense on capital leases	(16,478)
Loss on sale of capital asset	<u>(17,200)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(33,678)</u>
TRANSFERS IN	<u>532,639</u>
CHANGE IN NET ASSETS	(239,723)
Total net assets – beginning	<u>1,922,821</u>
Total net assets – ending	<u>\$1,683,098</u>

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended September 30, 2009

	Enterprise Fund
	<u>Landfill</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$787,488
Payments to suppliers	(703,679)
Payments to employees	<u>(489,499)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(405,690)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	<u>532,639</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>532,639</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(8,126)
Proceeds from sale of capital assets	1,050
Principal paid on capital lease obligations	(103,395)
Interest paid on capital lease obligations	<u>(16,478)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(126,949)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	--
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	--
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	<u>418</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$418</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$(738,684)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	259,410
Provisions for losses on accounts receivable	9,877
Landfill closure/postclosure care costs	68,185
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(20,517)
Increase (decrease) in accrued expenses	<u>16,039</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$(405,690)</u>

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2009

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash	\$ --	\$4,350,408
Investments, at fair value:		
Guaranteed fixed income account	3,432,463	--
Mutual funds	<u>2,226,154</u>	<u>--</u>
TOTAL ASSETS	<u>5,658,617</u>	<u>4,350,408</u>
LIABILITIES		
Accounts payable	--	8,634
Due to other governments	--	484,585
Due to heirs, litigants, and others	<u>--</u>	<u>3,857,189</u>
TOTAL LIABILITIES	<u>--</u>	<u>4,350,408</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS (see schedule of funding progress)	<u>\$5,658,617</u>	<u>\$--</u>

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
Year Ended September 30, 2009

	<u>Pension Trust Fund</u>
ADDITIONS (REDUCTIONS)	
Contributions:	
Employer	<u>\$1,040,477</u>
Total contributions	<u>1,040,477</u>
Investment appreciation (depreciation) in fair value of investments	<u>(535,636)</u>
Net appreciation (depreciation) in fair value of investments	<u>(535,636)</u>
TOTAL ADDITIONS (REDUCTIONS)	<u>504,841</u>
DEDUCTIONS	
Benefits	866,833
Insurance premiums	<u>30,477</u>
Total deductions	<u>897,310</u>
CHANGE IN NET ASSETS	<u>(392,469)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year	<u>6,051,086</u>
End of year	<u>\$5,658,617</u>

See accompanying notes to basic financial statements.

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.1 *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. 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.

A.1.1 *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 jointly by the area government's governing bodies. 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: 603 E. Villanow St., LaFayette, Georgia 30728.

A.1.2 *Related Organizations*

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

Walker County Water and Sewerage Authority. This 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 Department of Family and Childrens' Services. This organization has been appointed solely by the County Commissioner. It is an independent unit that selects management staff, sets user charges, establishes budgets and controls all aspects of its daily activities.

A.2 *Basis of Presentation*

A.2.1 *Government-wide Statements*

The statement of net assets and the statement of activities display information about the primary government (the County) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). The County does not allocate indirect costs.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

A.2.2 *Fund Financial Statements*

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund, including fiduciary funds, are accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The emphasis of fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The County reports the following major governmental funds:

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.

Fire and Rescue Fund. 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. An ambulance service was added to the fund during fiscal year 2009. The service covers all of Walker County.

SPLOST 2008 Bond Construction Fund. This fund is used to account for the construction of numerous County projects. The advance bond issued from the 2008 special purpose local option sales tax (SPLOST) referendum, SPLOST revenues and State grant revenues are used to finance these projects.

The County reports the following major enterprise fund:

Landfill. This fund accounts for the operation, maintenance, and development of the County's transfer station and construction and demolition landfill.

The County reports the following fund types:

Pension Trust Fund. The Pension Trust Fund accounts for the activities of the Walker County defined benefit pension plan.

Agency Funds. The agency funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the County holds for others in an agency capacity.

A.2.3 *Accounting Period*

All funds of Walker County, Georgia, are on fiscal year basis with the year ending September 30, 2009, except for the Health Department component unit. The component unit operates on a fiscal year ending June 30, 2009.

A.3 *Measurement Focus, Basis of Accounting*

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.

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end.

Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

A.4 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 two public hearings on the proposed budget are 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 annual operating budgets for all governmental funds. 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 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.

A.5 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 not used by Walker County.

A.6 Assets, Liabilities and Net Assets

A.6.1 Cash and Investments

Cash in excess of current requirements is invested in certificates of deposits with various maturities, transferred to interest-bearing savings accounts, invested in the Georgia Local Government Investment Pool, or invested in any corporation of the U.S. government. Deposits in excess of federally insured amounts are required to be collateralized by securities of the depository bank.

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

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 in the Local Government Investment Pool are specifically invested in "Georgia Fund 1". Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company, but is under the regulatory oversight of the Office of Treasury and Fiscal Services. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

Investments of the County are reported at fair value. The fair values of investments in external investment pools are the same as the value of the pool shares.

The County has no custodial credit risk policy, however, 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 Code Section 36-83-8, repurchase agreements, and obligations of other political subdivisions of Georgia. It is the County's policy to follow State guidelines for investments.

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

A.6.2 Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The amounts estimated to be uncollectible from property taxes receivable and accounts receivable for fire and rescue fees are \$455,000 and \$305,000, respectively. Estimated uncollectible accounts receivable in the landfill proprietary fund are \$7,400.

A.6.3 Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. Amounts receivable from or payable to fiduciary funds are included in the Statement of Net Assets as receivable from and payable to external parties, not as internal balances. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

A.6.4 Prepaid Expenses

Prepaid assets are not recorded in the governmental funds; all amounts are expended as paid.

A.6.5 Deferred Charges

Deferred charges in the government-wide financial statements consist of bond reissuance costs that are amortized over the life of the bond issue.

A.6.6 Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than

WALKER COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 (Continued)

\$5,000 and an estimated useful life in excess of two years. An exception to the \$5,000 threshold is capital lease assets. The County capitalizes all capital lease assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations. For the fiscal year ended September 30, 2007, the County implemented GASB Statement No. 34 requirements for retroactive reporting of major general infrastructure assets. This category is the largest asset class of the County. Historically, the financial statements have not reflected this asset category or the depreciation expense for the systematic allocation of its consumption. Infrastructure assets include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is included as part of the capitalized value of the assets constructed. There was no interest expense capitalized for the fiscal year ending September 30, 2009.

Property, plant and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	30 years
Buildings	50 years
Site Improvements	20 years
Furniture	20 years
Equipment	5 to 15 years
Vehicles	6 years

Amortization expense for capital lease assets has been included in depreciation expense.

A.6.7 Other Assets

Other assets held are recorded and accounted for at cost.

A.6.8 Accounts Payable and Accrued Liabilities

All payables and accrued liabilities are reported on the government-wide financial statements. All payable and accrued liabilities from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

A.6.9 Deferred Revenues

The government-wide financial statements use the accrual basis of accounting and all revenue is recognized when earned. Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

A.6.10 Long-term Obligations

The County reports long-term debt of governmental activities at face value in the government-wide statement of net assets. Long-term debt is not reported for governmental activities in the fund financial statements. Long-term debt and other obligations financed by the proprietary fund are reported as liabilities in both the government-wide and fund financial statements.

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

A.6.11 Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

A.6.12 Governmental Fund Balance Reserves

The County reserves those portions of governmental fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure.

A.7 Revenues and Expenditures and Expense

A.7.1 Property Tax Revenues

Property taxes are generally levied around July 31st for the following fiscal year based on the assessed value of property as listed on the previous January 1. The billings are considered past due 60 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed. 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, 2005 for other real property, and January 1, 1998 for commercial property. Valuations were reassessed for all city property, most major subdivisions, and a partial reassessment of rural land as of January 1, 2006. 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.

The property tax calendar applicable to the current fiscal year is as follows:

Lien date	January 1, 2009
Levy date	August 5, 2009
Due date	October 20, 2009
Delinquency date	December 20, 2009

A.7.2 Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

A.7.3 Payments Between the County and Component Units

Resource flows (except those that effect the statement of net assets/balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions – that is, as revenues and expenses. Payments from the County consist of funds necessary to sustain the operations of the component unit.

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

A.8 *Estimates*

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE B – CASH AND INVESTMENTS

Primary Government

The cash and investments of the County were fully collateralized at September 30, 2009. The following schedules classify the cash and investments into three categories to give an indication of the level of risk assumed by the County at year end.

Deposit Categories of Custodial Credit Risk

1. Insured or collateralized with securities held by the County or by its agent in the County's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.
3. Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the County's name.

Investment Categories of Custodial Credit Risk

1. Insured or registered with securities held by the County or its agent in the County's name.
2. Uninsured and unregistered, with securities held by the counterpart's trust department or agent in the County's name.
3. Uninsured and unregistered, with securities held by the counterpart or by its trust department or agent but not in the County's name.

The following schedule of cash and investments of all of the County's funds (including fiduciary funds) as of September 30, 2009, are categorized by custodial credit risk:

<u>Cash</u>	<u>Category</u>			<u>Carrying Amount</u>	<u>Bank Balance</u>		
	1	2	3				
Deposits with financial institutions	<u>\$1,887,236</u>	<u>\$6,071,559</u>	<u>\$--</u>	<u>\$7,024,073</u>	<u>\$7,958,795</u>		
<u>Investment Type</u>	<u>Category</u>			<u>Carrying Amount</u>	<u>Credit Rating</u>	<u>Maturities</u>	<u>Weighted Average Maturity (Years)</u>
	1	2	3				
<u>Primary Government</u>							
Cash		\$1,244,184		\$1,244,184	N/A	N/A	N/A
Certificate of deposit		8,000,000		8,000,000	N/A	less than 6 months	N/A
Georgia Fund 1	\$--	<u>4,062,377</u>	<u>\$--</u>	<u>4,062,377</u>	AAAm	less than 6 months	.03
		<u>\$13,306,561</u>		<u>\$13,306,561</u>			
<u>Fiduciary Fund</u>							
Guaranteed fixed income account	\$--	\$3,432,463	\$--	\$3,432,463	N/A	less than 6 months	
Open end mutual funds	=	<u>2,226,154</u>	=	<u>2,226,154</u>	N/A	less than 6 months	
	<u>\$--</u>	<u>\$5,658,617</u>	<u>\$--</u>	<u>\$5,658,617</u>			

WALKER COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 (Continued)

The deposits of the County are included in the following classifications at September 30, 2009.

Primary government:	
Cash and cash equivalents	\$2,507,346
Restricted cash	166,319
Agency funds:	
Cash	<u>4,350,408</u>
Total deposits with financial institutions	<u>\$7,024,073</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, 2009.

At June 30, 2009, cash consisted of the following:

Cash and cash equivalents	<u>\$1,092,753</u>
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NOTE C – INTERFUND BALANCES AND ACTIVITY

Balances Due To/From Other Funds

Summary of balances due to/from other funds reported in the fund financial statements:

Due to:	
General fund from Fire and Rescue fund	\$988,562
General fund from SPLOST 2008 fund	1,065,533
General fund from nonmajor governmental funds	95,589
Nonmajor governmental funds from General fund	<u>102,541</u>
Total	<u>\$2,252,225</u>
Due from:	
Other funds, Balance Sheet - Governmental Funds	<u>\$2,252,225</u>
Total	<u>\$2,252,225</u>

Interfund balances in the general fund are created mainly from payment of invoices on behalf of other funds.

Interfund balances in the nonmajor governmental funds are created mainly by local matching requirements of grants and from payment of invoices on behalf of other funds.

Transfers To/From Other Funds

Transfers to/from other funds at September 30, 2009, consist of the following:

From the General fund to the Landfill fund for operating expenditures	\$532,639
From the General fund to the E911 fund for operating expenditures	424,274
From the General fund to the Grant fund for County matching requirements	149,519
From the General fund to the Transportation Fund for operating expenditures	<u>224,148</u>
Total	<u>\$1,330,580</u>

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

NOTE D – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
GOVERNMENTAL ACTIVITIES:					
Capital assets not being depreciated:					
Land	\$1,974,887	\$2,556,306	\$--	\$--	\$4,531,193
Construction in progress	<u>374,163</u>	<u>612,703</u>	=	=	<u>986,866</u>
Total capital assets not being depreciated	<u>2,349,050</u>	<u>3,169,009</u>	=	=	<u>5,518,059</u>
Capital assets being depreciated and amortized:					
Infrastructure	89,595,933	2,614,496	--	--	92,210,429
Buildings and improvements	17,987,828	2,057,713	--	--	20,045,541
Equipment	2,609,732	1,830,907	5,226	--	4,435,413
Vehicles	9,887,158	2,207,670	586,923	--	11,507,905
Trucks and construction equipment	<u>3,699,870</u>	<u>510,384</u>	<u>77,267</u>	=	<u>4,132,987</u>
Total capital assets being depreciated and amortized	<u>123,780,521</u>	<u>9,221,170</u>	<u>669,416</u>	=	<u>132,332,275</u>
Less accumulated depreciation for:					
Infrastructure	32,465,916	2,156,315	--	--	34,622,231
Buildings and improvements	4,272,699	353,506	--	--	4,626,205
Equipment	1,266,116	376,579	5,226	--	1,637,469
Vehicles	6,575,319	928,352	575,603	--	6,928,068
Trucks and construction equipment	<u>2,705,209</u>	<u>273,451</u>	<u>77,267</u>	=	<u>2,901,393</u>
Total accumulated depreciation and amortization	<u>47,285,259</u>	<u>4,088,203</u>	<u>658,096</u>	=	<u>50,715,366</u>
Total capital assets being depreciated, net	<u>76,495,262</u>	<u>5,132,967</u>	<u>11,320</u>	=	<u>81,616,909</u>
Governmental activity capital assets, net	<u>\$78,844,312</u>	<u>\$8,301,976</u>	<u>\$11,320</u>	\$=	<u>\$87,134,968</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$72,098
Judicial	67,137
Sheriff	280,646
Public safety	824,125
Public works	2,568,847
Health and welfare	205,910
Culture and recreation	55,458
Housing and development	<u>13,983</u>
	<u>\$4,088,204</u>

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
BUSINESS-TYPE ACTIVITIES:					
Landfill:					
Capital assets not being depreciated	\$--	\$--	\$--	\$--	\$--
Capital assets being depreciated and amortized:					
C & D Landfill	4,832,721	--	--	--	4,832,721
Buildings and improvements	306,771	--	--	--	306,771
Machinery and equipment	507,613	6,982	36,500	--	478,095
Capital lease assets	1,118,842	--	--	--	1,118,842
Vehicles	40,477	--	--	--	40,477
Furniture and fixtures	1,028	1,144	--	--	2,172
Software	1,508	--	--	--	1,508
Computers, radios, and electronics	<u>15,584</u>	=	=	=	<u>15,584</u>
Total capital assets being depreciated and amortized	<u>6,824,544</u>	<u>8,126</u>	<u>36,500</u>	=	<u>6,796,170</u>
Less accumulated depreciation and amortization for:					
C & D Landfill	2,368,033	96,655	--	--	2,464,688
Buildings and improvements	83,083	7,740	--	--	90,823
Machinery and equipment	120,736	19,961	18,250	298,556	421,003
Capital lease assets	622,217	130,909	--	--	753,126
Vehicles	337,033	2,000	--	(298,556)	40,477
Furniture and fixtures	249	94	--	--	343
Software	1,135	280	--	--	1,415
Computers, radios, and electronics	<u>8,345</u>	<u>1,771</u>	=	=	<u>10,116</u>
Total accumulated depreciation and amortization	<u>3,540,831</u>	<u>259,410</u>	<u>18,250</u>	=	<u>3,781,991</u>
Total capital assets being depreciated, net	<u>3,283,713</u>	<u>(251,284)</u>	<u>18,250</u>	=	<u>3,014,179</u>
Business-type activities capital assets, net	<u>\$3,283,713</u>	<u>\$(251,284)</u>	<u>\$18,250</u>	\$--	<u>\$3,014,179</u>
	Beginning Balances	Increases	Decreases		Ending Balances
GOVERNMENTAL ACTIVITIES:					
Component Unit:					
Capital assets being depreciated					
Machinery and equipment	\$14,142	\$18,607	\$--		\$32,749
Total capital assets being depreciated	<u>14,142</u>	<u>18,607</u>	=		<u>32,749</u>
Less accumulated depreciation for:					
Machinery and equipment	14,142	2,658	=		16,800
Total accumulated depreciation	<u>14,142</u>	<u>2,658</u>	=		<u>16,800</u>
Governmental activities capital assets, net	\$--	\$15,949	\$--		\$15,949

NOTE E - DEFINED BENEFIT PENSION PLAN

Plan Description. Two hundred twenty-seven (227) 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, 2005. 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 hired prior to December 31, 2005, 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 3 years of service, age 60 with 20 years of service, or age 55 with 25 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 credited service up to 35 years. The plan was amended effective December 31, 2005, and participation was frozen for individuals who were not active employees or participants on that date and who were hired or rehired after that date.

WALKER COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 (Continued)

Funding Policy and Pension Cost. Contribution requirements are actuarially determined and may be amended by the County. Plan members are not allowed to contribute to the plan. 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 2008 has increased as a percentage of covered payroll from 11.91% in 2007 to 14.05% in 2008. 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, 2008 were \$1,040,477 and were made in accordance with contribution requirements determined by an actuarial valuation as of January 1, 2009, (the most recent actuarial valuation date). The County's covered payroll for the plan year ended January 1, 2009, was \$7,317,071, and the total payroll was \$13,217,441.

Summary of Significant Accounting Policies. The plan's financial statements are prepared on the accrual basis of accounting. Contributions from the County are recognized when due and the County has made a formal commitment to provide the contributions. 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 accordance with state statute and are valued at fair value. There are no investments in, loans to, or leases with parties related to the pension plan.

Funded Status. The County's annual pension cost, percentage of annual pension cost contributed and net pension obligation for the most recent three years is as follows:

Three-Year Trend Information

Year Ending	Employer Annual Pension Cost (APC)	Annual Contribution	Percentage of APC Contributed	Net (EOY) Pension Obligation
December 31, 2006	\$918,196	\$921,222	100.0%	--
December 31, 2007	978,839	1,195,458	122.0%	--
December 31, 2008	774,137	1,078,215	139.0%	--

Funded Status of Plan as of January 1, 2009

Actuarial Valuation for Plan Year Beginning January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability Frozen Entry Age Cost Method (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as % of Covered Payroll (b-a/c)
2009	\$5,658,617	\$5,981,399	\$322,782	94.6%	\$7,317,071	4.4%

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

The significant actuarial assumptions used in the current valuation are:

Rate of return on investment	6.0%
Projected salary and inflation increases	4.0%
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.

WALKER COUNTY, GEORGIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 (Continued)

The projected rate of return on investment changed from 7.0% to 6.0%. All other actuarial assumptions are the same as those used in the preceding year.

Plan Membership Data. As of January 1, 2009, the current plan membership includes the following categories of participants.

Plan Participants:	
Retirees and beneficiaries currently receiving benefits	13
Terminated employees entitled to benefits but not yet receiving them	35
Active participants	<u>227</u>
 Total	 <u>275</u>

Investments

The investments in the pension plan are held by the Lincoln Financial Group and invested in compliance with the pension document.

Summary of Investments as of January 1, 2009

	<u>Fair Value</u>	<u>% of Total</u>
Lincoln Financial Group:		
Guaranteed fixed income account	\$3,432,463	60.66%
Balanced account	1,103,833	19.51
Equity Growth account	606,760	10.72
Government/Corporate bond fund	<u>515,561</u>	<u>9.11</u>
 Total	 <u>\$5,658,617</u>	 <u>100.00%</u>

NOTE F - DEFINED CONTRIBUTION PLAN

Effective January 1, 2007, the County established the Walker County Commissioner Employees 401(a) plan. The County began funding the plan in May 2009. This plan covers employees who are not covered under the defined benefit pension plan and have attained age 18 and completed one year of service. Walker County will contribute a percentage of gross wages based on the following contribution schedule:

<u>Age</u>	<u>Percent of Contribution</u>
Up to 29	3
30-39	4
40-49	5
50-59	6
60 and up	7

Plan participants vest 50% after five years of service and 100% after ten years of service. Forfeited funds are distributed equitably to all remaining participants in the plan.

The Walker County Deferred Compensation Plan is two defined contribution plans under Code Section 457(b) established by the County to provide benefits at retirement to all employees. Membership in the plans is voluntary. Employees can contribute up to the maximum allowed by law. Walker County makes no contributions to the plans. Plan provisions and contribution requirements are established and may be amended by the County Commissioner.

Plan 1 is administered by Nationwide Retirement Solutions. Participants and contributions for the 2009 plan year are:

Number of participants	17
Participant contributions	\$14,280

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

Plan 2 is administered by Lincoln Financial Group. Participants and contributions for the 2009 plan year are:

Number of participants	20
Participant contributions	\$62,871

NOTE G - TERMINATION BENEFITS

During fiscal year 2009, the County attorney issued an opinion stating that previously reported post-employment benefits were actually termination benefits offered to a select group of employees. These employees had attained age 60 with at least twenty years of service, and retired from the County with no other medical insurance. The retired employee will be allowed to continue the medical insurance coverage they were receiving as of the date of retirement, with the County continuing to pay the employer portion of the cost until the employee attains age 65. The employee must contribute the amount that would be withheld from payroll if still employed. These benefits are financed on a pay-as-you-go basis. The benefit expenditure at September 30, 2009, was \$27,776, net of any participant contributions. Nine retirees were receiving benefits at September 30, 2009.

NOTE H - LONG-TERM DEBT

Long-term Obligation Activity

The following is a summary of the County's long-term debt transactions for the year ended September 30, 2009.

	Balance October 1, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2009</u>	Amounts Due Within <u>One Year</u>	<u>Accrued Interest</u>
GOVERNMENTAL ACTIVITIES						
Capitalized leases	\$2,661,212	\$--	\$590,316	\$2,070,896	\$635,053	\$55,062
Bonds payable	--	24,144,423	21,487	24,122,936	3,661,501	209,628
Note payable	297,600	--	297,600	--	--	--
Compensated absences	532,606	47,683	--	580,289	361,618	--
Estimated landfill closure cost	<u>2,706,694</u>	<u>--</u>	<u>53,139</u>	<u>2,653,555</u>	<u>115,372</u>	<u>--</u>
	<u>\$6,198,112</u>	<u>\$24,192,106</u>	<u>\$962,542</u>	<u>\$29,427,676</u>	<u>\$4,773,544</u>	<u>\$264,690</u>
BUSINESS-TYPE ACTIVITIES						
Landfill:						
Capital leases	\$334,816	\$--	\$103,395	\$231,421	\$109,108	\$--
Compensated absences	4,536	100	--	4,636	4,636	--
Landfill closure/postclosure costs	<u>1,053,102</u>	<u>68,184</u>	<u>--</u>	<u>1,121,286</u>	<u>--</u>	<u>--</u>
	<u>\$1,392,454</u>	<u>\$68,284</u>	<u>\$103,395</u>	<u>\$1,357,343</u>	<u>\$113,744</u>	<u>\$--</u>

Compensated absences typically have been liquidated in the general and other governmental funds. The capital lease debt is paid by the fund leasing the corresponding assets. The note payable was paid by the General Fund. The bonds payable will be paid by the 2008 Special Purpose Local Option Sales Tax. The MSW landfill closure/postclosure costs will be liquidated in the general fund, and the C&D landfill closure/postclosure costs will be liquidated in the landfill proprietary fund.

Debt Service Requirements

The County issued \$8,630,000 in series 2008 general obligation sales tax bonds and \$15,355,000 in series 2009 general obligation sales tax bonds for capital outlay projects outlined in the special purpose local option sales tax referendum on December 11, 2008. The interest rate on the bonds range from 2.2% to 5.0% with principal payments due in amounts ranging from \$1,250,000 to \$3,785,000. Principal payments will begin January 2009 and mature in January 2015. Interest is due semi-annually while principal payments are due on an annual basis. The bonds are payable from proceeds of the 2008 special purpose local option sales tax referendum.

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

The County purchased an office building at the corner of Duke and Wither Street, LaFayette, Georgia, with the note payable for \$297,600. The interest rate on the note payable is 5.0%. The note requires three monthly payments of \$25,682 beginning September 1, 2008 and one additional payment of \$224,901 due December 1, 2008. The September 1, 2008 payment was made October 3, 2008. The note was paid in full during fiscal year 2009.

Capital Leases

The County leases buildings and equipment with a historical cost and accumulated amortization under capital lease arrangements as follows:

	Governmental Activities	Business-type Activities <u>Landfill</u>	Total
Buildings	\$3,562,705	\$--	3,562,705
Vehicles and equipment	<u>6,960,983</u>	<u>534,900</u>	<u>7,495,883</u>
Total capital lease assets	10,523,688	534,900	11,058,588
Accumulated amortization	<u>6,392,819</u>	<u>336,692</u>	<u>6,729,511</u>
Capital lease assets, net	<u>\$4,130,869</u>	<u>\$198,208</u>	<u>\$4,329,077</u>

Future minimum lease payments at September 30, 2009, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	Business-type Activities <u>Landfill</u>
2010	\$732,056	\$119,563
2011	707,552	127,040
2012	302,990	--
2013	<u>552,988</u>	=
Total minimum lease payments	2,295,586	246,603
Less: Deferred interest	<u>(224,690)</u>	<u>(15,182)</u>
Present value minimum lease payments	<u>\$2,070,896</u>	<u>\$231,421</u>

The interest rates on the capitalized leases range from 4.75% to 5.80% and are imputed based on the County's incremental borrowing rate at the inception of the lease. All capital leases have a bargain purchase option for a nominal amount.

NOTE I – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1.1 Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

1.2 Excess of Expenditures Over Appropriations in Individual Funds

For the year ended September 30, 2009, the County had no material excess of expenditures over appropriations in individual funds.

1.3 Deficit Fund Balances

The fire and rescue fund had a deficit fund balance of \$11,760 at September 30, 2009. This deficit will be eliminated through future charges for services.

The E911 fund had a deficit fund balance of \$12,711 at September 30, 2009. This deficit will be eliminated through future operating transfers from the general fund.

The transportation fund had a deficit fund balance of \$1,292 at September 30, 2009. This deficit will be eliminated through future operating transfers from the general fund.

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

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

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

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

The County maintains a medical benefit plan to self-insure claims up to \$55,000 per year for each individual covered; claims above \$55,000 are covered by a stop-loss insurance policy. The County also had an aggregate stop-loss insurance policy which covers claims above \$198,763 monthly and \$2,385,000 annually. The County and its covered employees contribute to the fund to pay the claims and stop-loss insurance premiums. At September 30, 2009, management believes that the County has made provisions sufficient to cover estimated claims, including claims incurred but not yet reported.

NOTE K - CLAIMS AND JUDGMENTS

The County participates in a number of federal, state, and county programs that are fully 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, 2009, 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.

Litigation. The County is subject to claims and suits arising principally in the normal course of operations. In the opinion of management, the ultimate resolution of such pending legal proceedings has been adequately provided for in the basic financial statements.

NOTE L - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

Walker County currently owns a solid waste landfill and a construction and demolition disposal area. State and federal laws and regulations require the County to close the landfills once capacity is reached and to monitor and maintain the site for thirty subsequent years. Although certain closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

WALKER COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

At September 30, 2009, the County had incurred a liability of approximately \$1,121,286 for the construction and demolition disposal area which represents the amount of costs reported to date based on approximately 51 percent of landfill capacity used to date. The remaining estimated liability for these costs is \$1,077,314 which will be recognized as the remaining capacity is used (estimated to be approximately 19 years).

The estimated costs of closure and postclosure care, as determined by the Georgia Environmental Protection Division, are subject to changes including the effects of inflation, revision of laws, changes in technology, actual sequence of landfill development and closure, and other variables.

The County also owns a solid waste landfill which discontinued operations in June 1998. 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 costs 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. At September 30, 2009, a liability for postclosure care costs is recorded in the amount of \$2,653,555, which is based on engineering reports, for maintaining 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. These costs will be met with future County revenues.

NOTE M - JOINT VENTURE

Walker County is a member of the Northwest Georgia Regional Commission (RC). The RC was created under the laws of the State of Georgia. Cities and Counties in the area served by the RC are required to be members under the Official Code of Georgia Annotated Section 36-70-4. The membership of the RC includes 15 counties and 49 municipalities. The County has no equity interest in the RC. The County contributes \$1.05 per capita yearly to the RC. The Official Code of Georgia Annotated Section 50-8-39.1 states that in the event the RC ceases operation, the membership can be assessed for any debt or obligation of the RC. Separate financial statements may be obtained from Northwest Georgia Regional Commission, P. O. Box 1798, Rome, Georgia 30162.

REQUIRED SUPPLEMENTARY INFORMATION

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$7,286,745	\$6,664,464	\$6,664,464	\$--
Other taxes	7,075,000	7,789,973	7,789,973	--
Licenses and permits	165,750	120,995	120,995	--
Intergovernmental	989,750	667,264	667,264	--
Charges for services	762,200	779,374	779,374	--
Fines and forfeitures	1,713,800	1,658,078	1,658,078	--
Investment earnings	50,000	29,844	29,844	--
Contributions and donations	--	2,453,728	2,453,728	--
Rental income	507,600	418,934	418,934	--
Miscellaneous	<u>154,800</u>	<u>480,758</u>	<u>480,758</u>	==
Total revenues	<u>18,705,645</u>	<u>21,063,412</u>	<u>21,063,412</u>	==
EXPENDITURES				
Current:				
General government				
Governing body	661,532	684,274	684,273	--
Elections	290,785	250,050	250,050	--
Accounting	206,140	295,960	295,960	--
Licensing	8,100	7,200	7,200	--
Data processing	87,062	91,783	91,783	--
Human resources	--	--	--	--
Tax commissioner	831,887	903,424	903,424	--
Tax assessor	642,144	698,613	698,613	--
Board of equalization	8,000	916	916	--
General government buildings and plant	368,978	396,120	396,120	--
Marsh Warthen house	5,400	6,269	6,269	--
Records management	84,810	84,719	84,719	--
General administration fees	77,423	60,337	60,337	--
Special projects	--	--	--	--
Judicial				
Clerk of courts	654,233	638,583	638,583	--
Superior court	204,416	266,966	266,966	--
District attorney	301,794	217,348	217,348	--
State court	263,480	247,560	247,560	--
State court solicitor	185,342	189,761	189,761	--
Magistrate court	331,115	402,884	402,884	--
Probate court	268,138	279,485	279,485	--
Juvenile court	269,304	303,163	303,163	--
Grand jury	600	475	475	--
Public defender	204,053	225,406	225,406	--
Court reporter	57,306	57,748	57,748	--
Bailiff	--	--	--	--
Sheriff				
Police administration	--	--	--	--
Sheriff	--	--	--	--
Law Enforcement administration	420,266	995,861	995,861	--
Crime control	--	--	--	--
Criminal investigation	761,511	738,592	738,592	--
Vice control	63,904	79,235	79,235	--
Patrol	1,898,140	1,732,188	1,732,188	--
Custody of prisoners	2,012,102	1,779,212	1,779,212	--
Champs program	207,018	180,689	180,689	--
Training	77,237	73,458	73,458	--
Special detail services	18,600	6,223	6,223	--
Sheriff's office and building	130,500	88,405	88,405	--
Court services	943,802	764,563	764,563	--
Bailiff	16,625	6,733	6,733	--
Corrections	--	--	--	--

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended September 30, 2009
 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety				
County police	\$397,582	\$441,162	\$441,162	\$--
Emergency Medical Services (EMS)	818,300	612,801	612,801	--
Coroner/medical examiner	58,571	71,337	71,337	--
Animal control	242,343	273,468	273,468	--
Highways and streets				
Highways and streets administration	509,874	1,072,673	1,072,673	--
Paved street	507,688	1,953,146	1,953,146	--
Other maintenance	117,421	625,490	625,490	--
Bridges, viaducts and grade separations	20,000	--	--	--
Traffic engineering	101,909	125,555	125,555	--
Stormwater collection and disposal	--	--	--	--
Closure and postclosure costs	91,200	32,850	32,850	--
Maintenance and shop	603,080	382,776	382,776	--
Health and welfare				
Health				
Public health administration	281,295	281,294	281,294	--
Mosquito control	5,550	374	374	--
Ambulance services	157,500	56,250	56,250	--
Indigent medical care	1,000	--	--	--
Health department building and plant	9,400	25,967	25,967	--
Welfare administration	--	--	--	--
Children's Crisis Center	10,000	10,000	10,000	--
Intergovernmental welfare payments	50,000	40,693	40,693	--
Food pantry	900	--	--	--
Other welfare payments	1,000	51,066	51,066	--
DEFACS building and plant	12,100	13,608	13,608	--
Meals on wheels	68,343	93,424	93,424	--
Senior center	7,500	8,086	8,086	--
Special projects	71,749	69,091	69,091	--
Culture and recreation				
Civic center	184,144	198,614	198,614	--
Other recreational facilities	--	54,105	54,105	--
Agricultural center	32,400	24,100	24,100	--
Historical preservation	6,350	25,919	25,919	--
Park areas	--	40,710	40,710	--
Library administration	148,750	153,825	153,825	--
Conservation administration	29,712	(4,416)	(4,416)	--
Housing and development				
County agent	79,766	54,206	54,206	--
Forest resources	--	7,718	7,718	--
Planning	--	--	--	--
Planning and zoning	272,127	140,924	140,924	--
Economic development administration	100,416	176,253	176,253	--
Economic development	--	--	--	--
Debt Service:				
Principal retirement	359,321	362,015	362,015	--
Interest	55,997	54,350	54,350	=
Total expenditures	<u>17,975,035</u>	<u>20,283,636</u>	<u>20,283,636</u>	=
Excess (deficiency) of revenues over expenditures	<u>730,610</u>	<u>779,776</u>	<u>779,776</u>	=
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	--
Transfers out	(726,600)	(1,330,579)	(1,330,579)	--
Sale of capital assets	=	67,361	67,361	=
Total other financing sources (uses)	<u>(726,600)</u>	<u>(1,263,218)</u>	<u>(1,263,218)</u>	=
Net changes in fund balance	4,010	(483,442)	(483,442)	\$--
Fund balances - beginning of year	<u>7,491,000</u>	<u>7,491,000</u>	<u>7,491,000</u>	
Fund balance - end of year	<u>\$7,495,010</u>	<u>\$7,007,558</u>	<u>\$7,007,558</u>	

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 FIRE & RESCUE FUND
 Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$1,500,000	\$3,392,226	\$3,392,226	\$--
Investment income	--	6,126	6,126	--
Miscellaneous	==	<u>972</u>	<u>972</u>	==
Total revenues	<u>1,500,000</u>	<u>3,399,324</u>	<u>3,399,324</u>	==
EXPENDITURES				
Current:				
Public safety	1,197,011	3,036,313	3,036,313	--
Debt Service:				
Principal retirement	228,301	228,301	228,301	--
Interest	<u>74,688</u>	<u>74,688</u>	<u>74,688</u>	==
Total expenditures	<u>1,500,000</u>	<u>3,339,302</u>	<u>3,339,302</u>	==
Excess (deficiency) of revenues over expenditures	==	<u>60,022</u>	<u>60,022</u>	==
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Gain (loss) on sale of capital asset	--	<u>2,232</u>	<u>2,232</u>	==
Total other financing (uses)	==	<u>2,232</u>	<u>2,232</u>	==
Excess (deficiency) of revenues over (under) expenditures and other uses	\$--	<u>\$62,254</u>	62,254	\$--
Fund balance - beginning of year			(74,014)	
Fund balance - end of year			<u>\$(11,760)</u>	

WALKER COUNTY, GEORGIA
 DEFINED BENEFIT PENSION PLAN
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS – RETIREMENT PLAN
 September 30, 2009

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)
01/01/04	\$4,663,473	\$5,258,586	\$595,113	88.7%	\$7,045,250	8.4%
01/01/05	5,472,256	6,041,225	568,969	90.6%	7,394,886	7.7%
01/01/06	5,999,645	6,528,556	528,911	91.9%	7,426,230	7.1%
01/01/07	5,129,238	5,612,261	483,023	91.4%	7,312,827	6.6%
01/01/08	6,051,086	6,274,654	223,568	96.4%	7,266,593	3.1%
01/01/09	5,658,617	5,981,399	322,782	94.6%	7,317,071	4.4%

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
 DEFINED BENEFIT PENSION PLAN
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS – RETIREMENT PLAN
 September 30, 2009

<u>Plan Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
12/31/03	\$650,888	\$650,888	100.0%
12/31/04	771,765	771,765	100.0%
12/31/05	884,590	884,590	100.0%
12/31/06	918,196	921,222	100.0%
12/31/07	978,839	1,195,458	122.0%
12/31/08	774,137	1,078,215	139.0%

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	1/1/2009
Actuarial cost method	Frozen entry age
Amortization method	Level dollar
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.0%
Projected salary increases	4.0%

The projected investment rate of return changed from 7.0% to 6.0%. All other actuarial assumptions are the same as those used in the preceding year.

WALKER COUNTY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2009

NOTE A – BUDGETARY BASIS OF ACCOUNTING

The County adopted a budget on the modified accrual basis of accounting, which is the same basis of accounting as that used to reflect actual revenues and expenditures in the fund financial statements.

SUPPLEMENTARY INFORMATION

WALKER COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2009

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$88,915	\$--	\$88,915
Accounts receivable	110,040	--	110,040
Due from other funds	102,542	--	102,542
Due from other governments	<u>30,679</u>	--	<u>30,679</u>
TOTAL ASSETS	<u>\$332,176</u>	<u>\$--</u>	<u>\$332,176</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$45,299	\$--	\$45,299
Due to other funds	95,589	--	95,589
Deferred revenue	<u>8,611</u>	--	<u>8,611</u>
TOTAL LIABILITIES	<u>149,499</u>	<u>--</u>	<u>149,499</u>
FUND BALANCES			
Unreserved, reported in:			
Special revenue funds	<u>182,677</u>	--	<u>182,677</u>
TOTAL FUND BALANCES	<u>182,677</u>	<u>--</u>	<u>182,677</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$332,176</u>	<u>\$--</u>	<u>\$332,176</u>

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended September 30, 2009

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES:			
Intergovernmental	\$1,466,052	\$153,000	\$1,619,052
Charges for services	767,614	--	767,614
Fines and forfeitures	41,470	--	41,470
Investment income	527	14,060	14,587
Contributions and donations	15,900	--	15,900
Miscellaneous	<u>30,377</u>	--	<u>30,377</u>
Total	<u>2,321,940</u>	<u>167,060</u>	<u>2,489,000</u>
EXPENDITURES			
CURRENT			
General government	62,864	--	62,864
Judicial	168,278	--	168,278
Sheriff	8,613	--	8,613
Public safety	1,181,821	--	1,181,821
Public works	1,108,879	--	1,108,879
Health and welfare	541,388	--	541,388
Culture and recreation	30,552	--	30,552
Capital outlay	--	<u>1,724,585</u>	<u>1,724,585</u>
Total	<u>3,102,395</u>	<u>1,724,585</u>	<u>4,826,980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(780,455)</u>	<u>(1,557,525)</u>	<u>(2,337,980)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	797,941	--	797,941
Transfers out	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>797,941</u>	--	<u>797,941</u>
NET CHANGES IN FUND BALANCE	17,486	(1,557,525)	(1,540,039)
FUND BALANCES – BEGINNING OF YEAR	<u>165,191</u>	<u>1,557,525</u>	<u>1,722,716</u>
FUND BALANCES – END OF YEAR	<u>\$182,677</u>	\$--	<u>\$182,677</u>

WALKER COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 September 30, 2009

	<u>E911</u>	<u>Law Library</u>	<u>Court Supervision</u>	<u>HEAT Program</u>	<u>Connection</u>	<u>Forfeiture</u>	<u>Multiple Grant</u>	<u>Transportation</u>	<u>Total</u>
ASSETS									
Cash	\$--	\$35,833	\$52,042	\$--	\$1,000	\$--	\$40	\$--	\$88,915
Accounts receivable	108,542	--	--	--	--	--	--	1,498	110,040
Due from other funds	--	--	--	586	3,936	83,662	4,623	9,735	102,542
Due from other governments	--	--	--	--	19,556	2,204	8,919	--	30,679
TOTAL ASSETS	<u>\$108,542</u>	<u>\$35,833</u>	<u>\$52,042</u>	<u>\$586</u>	<u>\$24,492</u>	<u>\$85,866</u>	<u>\$13,582</u>	<u>\$11,233</u>	<u>\$332,176</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$32,774	\$--	\$--	\$--	\$--	\$--	\$--	\$12,525	\$45,299
Due to other funds	88,479	--	7,110	--	--	--	--	--	95,589
Deferred revenue	--	--	--	--	--	--	8,611	--	8,611
TOTAL LIABILITIES	<u>121,253</u>	<u>--</u>	<u>7,110</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,611</u>	<u>12,525</u>	<u>149,499</u>
FUND BALANCES									
Unreserved, reported in:									
Special revenue funds	(12,711)	35,833	44,932	586	24,492	85,866	4,971	(1,292)	182,677
TOTAL FUND BALANCES	<u>(12,711)</u>	<u>35,833</u>	<u>44,932</u>	<u>586</u>	<u>24,492</u>	<u>85,866</u>	<u>4,971</u>	<u>(1,292)</u>	<u>182,677</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$108,542</u>	<u>\$35,833</u>	<u>\$52,042</u>	<u>\$586</u>	<u>\$24,492</u>	<u>\$85,866</u>	<u>\$13,582</u>	<u>\$11,233</u>	<u>\$332,176</u>

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year Ended September 30, 2009

	E911	Law Library	Court Supervision	HEAT Program	Connection	Forfeiture	Multiple Grant	Transportation	Total
REVENUES									
Intergovernmental	\$--	\$--	\$--	\$--	\$46,039	\$--	\$1,197,006	\$223,007	\$1,466,052
Charges for services	719,925	--	--	--	--	--	--	47,689	767,614
Fines and forfeitures	--	26,681	11,988	--	--	2,801	--	--	41,470
Investment income	--	14	513	--	--	--	--	--	527
Contributions and donations	--	--	--	--	8,800	--	7,100	--	15,900
Miscellaneous	--	--	--	--	--	30,377	--	--	30,377
TOTAL	<u>719,925</u>	<u>26,695</u>	<u>12,501</u>	<u>--</u>	<u>54,839</u>	<u>33,178</u>	<u>1,204,106</u>	<u>270,696</u>	<u>2,321,940</u>
EXPENDITURES									
CURRENT									
General government	--	--	--	--	--	--	62,864	--	62,864
Judicial	--	28,940	5,168	--	--	19,719	114,451	--	168,278
Sheriff	--	--	--	--	--	--	8,613	--	8,613
Public safety	1,155,354	--	--	--	--	--	26,467	--	1,181,821
Public works	--	--	--	--	--	--	1,108,879	--	1,108,879
Health and welfare	--	--	--	--	46,040	--	--	495,348	541,388
Culture and recreation	--	--	--	--	--	--	30,552	--	30,552
Total	<u>1,155,354</u>	<u>28,940</u>	<u>5,168</u>	<u>--</u>	<u>46,040</u>	<u>19,719</u>	<u>1,351,826</u>	<u>495,348</u>	<u>3,102,395</u>
Excess (deficiency) of revenues over expenditures	(435,429)	(2,245)	7,333	--	8,799	13,459	(147,720)	(224,652)	(780,455)
Other financing sources (uses)									
Transfers in	424,274	--	--	--	--	--	149,519	224,148	797,941
Transfers out	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	<u>424,274</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>149,519</u>	<u>224,148</u>	<u>797,941</u>
Net changes in fund balances	<u>(11,155)</u>	<u>(2,245)</u>	<u>7,333</u>	<u>--</u>	<u>8,799</u>	<u>13,459</u>	<u>1,799</u>	<u>(504)</u>	<u>17,486</u>
Fund balances - beginning of year	<u>(1,556)</u>	<u>38,078</u>	<u>37,599</u>	<u>586</u>	<u>15,693</u>	<u>72,407</u>	<u>3,172</u>	<u>(788)</u>	<u>165,191</u>
Fund balances - end of year	<u>\$(12,711)</u>	<u>\$35,833</u>	<u>\$44,932</u>	<u>\$586</u>	<u>\$24,492</u>	<u>\$85,866</u>	<u>\$4,971</u>	<u>\$(1,292)</u>	<u>\$182,677</u>

WALKER COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUND
 September 30, 2009

	<u>CDBG</u>	<u>SPLOST 2003</u>	<u>Total</u>
ASSETS			
Cash	\$--	\$--	\$--
Due from other funds	=	=	=
TOTAL ASSETS	\$==	\$==	\$==
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$==	\$==	\$==
TOTAL LIABILITIES	\$==	\$==	\$==
FUND BALANCES			
Unreserved, reported in:			
Capital projects funds	\$--	\$--	\$--
TOTAL FUND BALANCES	=	=	=
TOTAL LIABILITIES AND FUND BALANCE	\$==	\$==	\$==

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 NONMAJOR CAPITAL PROJECTS FUND
 Year Ended September 30, 2009

	<u>CDBG</u>	<u>SPLOST 2003</u>	<u>Total</u>
REVENUES			
Intergovernmental	\$153,000	\$--	\$153,000
Investment income	=	<u>14,060</u>	<u>14,060</u>
Total	<u>153,000</u>	<u>14,060</u>	<u>167,060</u>
EXPENDITURES			
General government	--	--	--
Capital outlay	<u>153,000</u>	<u>1,571,585</u>	<u>1,724,585</u>
Total	<u>153,000</u>	<u>1,571,585</u>	<u>1,724,585</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	(1,557,525)	(1,557,525)
NET CHANGES IN FUND BALANCE	=	<u>(1,557,525)</u>	=
Fund balance – beginning of year	=	<u>1,557,525</u>	<u>1,557,525</u>
Fund balance – end of year	\$=	\$=	\$=

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended September 30, 2009

	<u>Tax Commissioner</u>	<u>Clerk of Courts</u>	<u>Probate Judge</u>	<u>Magistrate Judge</u>	<u>SPILOST 2</u>	<u>Total</u>
ASSETS						
Cash	\$401,699	\$3,921,108	\$10,707	\$16,894	\$--	\$4,350,408
TOTAL ASSETS	<u>401,699</u>	<u>3,921,108</u>	<u>10,707</u>	<u>16,894</u>	=	<u>4,350,408</u>
LIABILITIES						
Accounts payable	8,634	--	--	--	--	8,634
Due to other governments	393,065	86,308	1,052	4,160	--	484,585
Due to heirs, litigants, and others	=	<u>3,834,800</u>	<u>9,655</u>	<u>12,734</u>	=	<u>3,857,189</u>
TOTAL LIABILITIES	<u>401,699</u>	<u>3,921,108</u>	<u>10,707</u>	<u>16,894</u>	=	<u>4,350,408</u>
NET ASSETS	\$--	\$--	\$--	\$--	\$--	\$--

WALKER COUNTY, GEORGIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended September 30, 2009

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$4,221,675	\$44,738,484	\$44,609,751	\$4,350,408
Total Assets	<u>\$4,221,675</u>	<u>\$44,738,484</u>	<u>\$44,609,751</u>	<u>\$4,350,408</u>
LIABILITIES				
Accounts payable	\$30,847	\$278,370	\$300,583	\$8,634
Due to other governments	740,159	43,620,304	43,875,878	484,585
Due to heirs, litigants, and others	<u>3,450,669</u>	<u>839,810</u>	<u>433,290</u>	<u>3,857,189</u>
Total liabilities	<u>4,221,675</u>	<u>44,738,484</u>	<u>44,609,751</u>	<u>4,350,408</u>
Net Assets	\$=	\$=	\$=	\$=

WALKER COUNTY, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
TAX COMMISSIONER
Year Ended September 30, 2009

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$582,139	\$35,813,960	\$35,994,400	\$401,699
Total Assets	<u>\$582,139</u>	<u>\$35,813,960</u>	<u>\$35,994,400</u>	<u>\$401,699</u>
LIABILITIES				
Accounts payable	\$9,690	\$278,370	\$279,426	\$8,634
Due to other governments	<u>572,449</u>	<u>35,535,590</u>	<u>35,714,974</u>	<u>393,065</u>
Total Liabilities	<u>582,139</u>	<u>35,813,960</u>	<u>35,994,400</u>	<u>401,699</u>
NET ASSETS	\$--	\$--	\$--	\$--

WALKER COUNTY, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CLERK OF COURTS
Year Ended September 30, 2009

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$3,517,291	\$8,669,211	\$8,265,394	\$3,921,108
Total assets	<u>\$3,517,291</u>	<u>\$8,669,211</u>	<u>\$8,265,394</u>	<u>\$3,921,108</u>
LIABILITIES				
Due to other governments	\$82,114	\$8,026,167	\$8,021,973	86,308
Due to heirs, litigants, and others	<u>3,435,177</u>	<u>643,044</u>	<u>243,421</u>	<u>3,834,800</u>
Total liabilities	<u>3,517,291</u>	<u>8,669,211</u>	<u>8,265,394</u>	<u>3,921,108</u>
NET ASSETS	\$=	\$=	\$=	\$=

WALKER COUNTY, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
PROBATE JUDGE
Year Ended September 30, 2009

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$ <u>16,322</u>	\$ <u>12,930</u>	\$ <u>18,545</u>	\$ <u>10,707</u>
Total assets	\$ <u>16,322</u>	\$ <u>12,930</u>	\$ <u>18,545</u>	\$ <u>10,707</u>
LIABILITIES				
Due to other governments	\$830	\$11,896	\$11,674	\$1,052
Due to heirs, litigants, and others	<u>15,492</u>	<u>1,034</u>	<u>6,871</u>	<u>9,655</u>
Total liabilities	<u>16,322</u>	<u>12,930</u>	<u>18,545</u>	<u>10,707</u>
NET ASSETS	\$==	\$==	\$==	\$==

WALKER COUNTY, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
MAGISTRATE JUDGE
Year Ended September 30, 2009

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$25,494	\$241,771	\$250,371	\$16,894
Total assets	<u>\$25,494</u>	<u>\$241,771</u>	<u>\$250,371</u>	<u>\$16,894</u>
LIABILITIES				
Accounts payable	21,157	--	21,157	--
Due to other governments	4,337	46,039	46,216	4,160
Due to heirs, litigants, and others	--	<u>195,732</u>	<u>182,998</u>	<u>12,734</u>
Total liabilities	<u>25,494</u>	<u>241,771</u>	<u>250,371</u>	<u>16,894</u>
NET ASSETS	\$--	\$--	\$--	\$--

WALKER COUNTY, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SPLOST 2
Year Ended September 30, 2009

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	\$80,429	\$612	\$81,041	\$--
Total assets	\$80,429	\$612	\$81,041	\$--
LIABILITIES				
Due to other governments	\$80,429	\$612	\$81,041	\$--
Total liabilities	80,429	612	81,041	--
NET ASSETS	\$--	\$--	\$--	\$--

WALKER COUNTY, GEORGIA
STATEMENT OF EXPENDITURES TO BUDGET
FAMILY CONNECTION PROGRAM
CONTRACT 427-93-09090643-99

CONTRACT PERIOD: JULY 1, 2008– JUNE 30, 2009

<u>Expenditure Type</u>	<u>Family Connection Budget</u>	<u>Contract Expenditures</u>	<u>(Over)/Under Budget</u>
Personal services	\$--	\$--	\$--
Regular operating	3,602	1,548	2,054
Travel – staff	--	--	--
Equipment	--	--	--
Per diem, fees, and contracts	45,048	43,540	1,508
Telecommunications	1,350	1,379	(29)
Other support to customers	=	=	=
Total	<u>\$50,000</u>	<u>\$46,467</u>	<u>\$3,533</u>

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 E911
 Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ <u>1,034,704</u>	\$ <u>719,925</u>	\$ <u>719,925</u>	\$--
Total Revenues	<u>1,034,704</u>	<u>719,925</u>	<u>719,925</u>	--
EXPENDITURES				
Current				
Public safety	<u>1,034,704</u>	<u>1,155,354</u>	<u>1,155,354</u>	--
Total Expenditures	<u>1,034,704</u>	<u>1,155,354</u>	<u>1,155,354</u>	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	(435,429)	(435,429)	--
OTHER FINANCING SOURCES (USES)				
Transfers in	--	<u>424,274</u>	<u>424,274</u>	--
TOTAL OTHER FINANCING SOURCES (USES)	--	<u>424,274</u>	<u>424,274</u>	--
NET CHANGES IN FUND BALANCE	\$--	\$(<u>11,155</u>)	(11,155)	\$--
FUND BALANCES - BEGINNING OF YEAR			(1,556)	
FUND BALANCES - ENDING OF YEAR			\$(<u>12,711</u>)	

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 LAW LIBRARY
 Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$40,000	\$26,681	\$26,681	\$--
Investment income	==	<u>14</u>	<u>14</u>	==
Total Revenues	<u>40,000</u>	<u>26,695</u>	<u>26,695</u>	==
EXPENDITURES				
Current				
Judicial	<u>40,000</u>	<u>28,940</u>	<u>28,940</u>	==
Total Expenditures	<u>40,000</u>	<u>28,940</u>	<u>28,940</u>	==
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	==	<u>(2,245)</u>	<u>(2,245)</u>	==
NET CHANGES IN FUND BALANCE	<u>\$--</u>	<u>\$(2,245)</u>	<u>(2,245)</u>	<u>\$--</u>
FUND BALANCES - BEGINNING OF YEAR			<u>38,078</u>	
FUND BALANCES - ENDING OF YEAR			<u>\$35,833</u>	

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 COURT SUPERVISION
 Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$10,000	\$11,988	\$11,988	\$--
Investment income	==	<u>513</u>	<u>513</u>	==
Total Revenues	<u>10,000</u>	<u>12,501</u>	<u>12,501</u>	==
EXPENDITURES				
Current				
Judicial	<u>10,000</u>	<u>5,168</u>	<u>5,168</u>	==
Total Expenditures	<u>10,000</u>	<u>5,168</u>	<u>5,168</u>	==
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	==	<u>7,333</u>	<u>7,333</u>	==
NET CHANGES IN FUND BALANCE	\$--	<u>\$7,333</u>	7,333	\$==
FUND BALANCES - BEGINNING OF YEAR			<u>37,599</u>	
FUND BALANCES - ENDING OF YEAR			<u>\$44,932</u>	

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 HEAT Program
 Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Contributions and donations	\$15,000	\$--	\$--	\$--
Total Revenues	<u>15,000</u>	--	--	--
EXPENDITURES				
Current				
Public safety	<u>15,000</u>	--	--	--
Total Expenditures	<u>15,000</u>	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--
NET CHANGES IN FUND BALANCE	\$--	\$--	--	\$--
FUND BALANCES - BEGINNING OF YEAR			<u>586</u>	
FUND BALANCES - ENDING OF YEAR			<u>\$586</u>	

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 CONNECTION
 Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$50,000	\$46,039	\$46,039	\$--
Contributions and donations	==	==	<u>8,800</u>	<u>8,800</u>
Total Revenues	<u>50,000</u>	<u>46,039</u>	<u>54,839</u>	<u>8,800</u>
EXPENDITURES				
Current				
Health and welfare	<u>50,000</u>	<u>46,040</u>	<u>46,040</u>	==
Total Expenditures	<u>50,000</u>	<u>46,040</u>	<u>46,040</u>	==
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	==	(1)	<u>8,799</u>	==
NET CHANGES IN FUND BALANCE	\$--	\$(1)	8,799	\$--
FUND BALANCES - BEGINNING OF YEAR			<u>15,693</u>	
FUND BALANCES - ENDING OF YEAR			<u>\$24,492</u>	

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 FORFEITURE
 Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$3,882	\$2,801	\$2,801	\$--
Miscellaneous	=	<u>30,377</u>	<u>30,377</u>	=
Total Revenues	<u>3,882</u>	<u>33,178</u>	<u>33,178</u>	=
EXPENDITURES				
Current				
Judicial	<u>59,400</u>	<u>19,719</u>	<u>19,719</u>	=
Total Expenditures	<u>59,400</u>	<u>19,719</u>	<u>19,719</u>	=
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(55,518)</u>	<u>13,459</u>	<u>13,459</u>	=
NET CHANGES IN FUND BALANCE	<u>\$(55,518)</u>	<u>\$13,459</u>	13,459	\$=
FUND BALANCES - BEGINNING OF YEAR			<u>72,407</u>	
FUND BALANCES - ENDING OF YEAR			<u>\$85,866</u>	

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 MULTIPLE GRANT
 Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$1,084,550	\$1,197,006	\$1,197,006	\$--
Contributions and donations	==	<u>7,100</u>	<u>7,100</u>	==
Total Revenues	<u>1,084,550</u>	<u>1,204,106</u>	<u>1,204,106</u>	==
EXPENDITURES				
Current				
General government	65,000	62,864	62,864	--
Judicial	10,000	114,451	114,451	--
Sheriff	--	8,613	8,613	--
Public safety	306,550	26,467	26,467	--
Public works	433,000	1,108,879	1,108,879	--
Health and welfare	250,000	--	--	--
Culture and recreation	<u>20,000</u>	<u>30,552</u>	<u>30,552</u>	--
Total Expenditures	<u>1,084,550</u>	<u>1,351,826</u>	<u>1,351,826</u>	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	==	<u>(147,720)</u>	<u>(147,720)</u>	==
OTHER FINANCING SOURCES (USES)				
Transfer in	==	<u>149,519</u>	<u>149,519</u>	==
TOTAL OTHER FINANCING SOURCES (USES)	==	<u>149,519</u>	<u>149,519</u>	==
NET CHANGES IN FUND BALANCE	\$--	<u>\$1,799</u>	1,799	\$--
FUND BALANCES - BEGINNING OF YEAR			<u>3,172</u>	
FUND BALANCES - ENDING OF YEAR			<u>\$4,971</u>	

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION
 Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$461,145	\$223,007	\$223,007	\$--
Charges for services	=	<u>47,689</u>	<u>47,689</u>	=
Total Revenues	<u>461,145</u>	<u>270,696</u>	<u>270,696</u>	=
EXPENDITURES				
Current				
Health and welfare	<u>461,145</u>	<u>495,348</u>	<u>495,348</u>	=
Total Expenditures	<u>461,145</u>	<u>495,348</u>	<u>495,348</u>	=
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	<u>(224,652)</u>	<u>(224,652)</u>	=
OTHER FINANCING SOURCES (USES)				
Transfer in	=	<u>224,148</u>	<u>224,148</u>	=
TOTAL OTHER FINANCING SOURCES (USES)	=	<u>224,148</u>	<u>224,148</u>	=
NET CHANGES IN FUND BALANCE	\$--	\$(504)	(504)	\$--
FUND BALANCES - BEGINNING OF YEAR			<u>(788)</u>	
FUND BALANCES - ENDING OF YEAR			<u>\$(1,292)</u>	

WALKER COUNTY, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$1,400,080	\$1,400,080	\$153,000	\$(1,247,080)
Total Revenues	<u>1,400,080</u>	<u>1,400,080</u>	<u>153,000</u>	<u>(1,247,080)</u>
EXPENDITURES				
Capital outlay	<u>1,400,080</u>	<u>1,400,080</u>	<u>153,000</u>	<u>1,247,080</u>
Total Expenditures	<u>1,400,080</u>	<u>1,400,080</u>	<u>153,000</u>	<u>1,247,080</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	=	=	=	=
OTHER FINANCING SOURCES (USES)				
Transfer in	=	=	=	=
TOTAL OTHER FINANCING SOURCES (USES)	=	=	=	=
NET CHANGES IN FUND BALANCE	\$=	\$=	=	\$=
FUND BALANCES - BEGINNING OF YEAR			=	
FUND BALANCES - ENDING OF YEAR			<u>\$=</u>	

COMPLIANCE

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

7030 LEE HIGHWAY • SUITE 202 • CHATTANOOGA, TENNESSEE 37421
TELEPHONE: (423) 490-8500 • FAX: (423) 490-1400
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS 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 accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Walker County, Georgia, as of and for the year ended September 30, 2009, which except for the component unit audited by other auditors, collectively comprise the Walker County, Georgia's basic financial statements and have issued our report dated March 30, 2010. 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 basic 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Walker County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Walker County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Walker County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Walker County, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Walker County, Georgia's financial statements that is more than inconsequential will not be prevented or detected by Walker County, Georgia's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items 04-4 and 07-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Walker County, Georgia's internal control.


Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 07-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Walker County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Walker County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Walker County, Georgia's response and, accordingly, we express no opinion on it.

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.



Chattanooga, Tennessee
March 30, 2010

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

7030 LEE HIGHWAY • SUITE 202 • CHATTANOOGA, TENNESSEE 37421
TELEPHONE: (423) 490-8500 • FAX: (423) 490-1400
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON 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 year ended September 30, 2009. Walker County, Georgia'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, Georgia's management. Our responsibility is to express an opinion on Walker County, Georgia's compliance based on our audit.

Walker County, Georgia's, basic financial statements include the operations of the Walker County Health Department component unit which received \$149,100 in federal awards which is not included in the schedule during the year ended June 30, 2009. 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, Georgia'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, Georgia'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, 2009.

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, Georgia's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Walker County, Georgia's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Walker County, Georgia's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Walker County, Georgia's response and, accordingly, we express no opinion on it.

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

Burt, Panchan, Nelson, Huggins, PLLC

Chattanooga, Tennessee
March 30, 2010

WALKER COUNTY, GEORGIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended September 30, 2009

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Georgia Department of Community Affairs Community Development Block Grant	14.228	06P-1-146-1-3248	<u>\$153,000</u>
U. S. DEPARTMENT OF JUSTICE			
Passed through State Council of Juvenile Court Judges Purchase of services for Juvenile Offenders Program	16.523	06B-ST-0001	11,500
Passed through State Criminal Justice Coordinating Council Victims of Crime Act (VOCA)	16.575	CO8-8-138	72,743
Direct Award Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		<u>2,988</u>
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>87,231</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed through State Department of Transportation Transit Operating Assistance	20.509	GA-18-4029	<u>223,007</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed through Georgia Department of Natural Resources Erosion and Sedimentation Control Enforcement Program	66.460	751-80157	<u>39,594</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Award Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104		<u>1,000,000</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Award Assistance to Firefighters Grant	97.044		11,840
Passed through Georgia Emergency Management Agency Emergency Management Performance Grants	97.042	E07-8-148	2,880
Citizen Corps	97.053	2008-GE-T8-0017	<u>11,748</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>26,468</u>
TOTAL FEDERAL ASSISTANCE			<u>\$1,529,300</u>

WALKER COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2009

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The schedule of expenditures of federal awards includes 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 provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Comprehensive Community Mental Health Services For Children with Serious Emotional Disturbances	93.104	\$1,000,000

WALKER COUNTY, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2009

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Finding Control Number and Status

- 04-4 The County has failed to implement the corrective action plan. A policy is being developed to keep adequate records of cash to secure balances.
- 04-6 Previously reported corrective action plan implemented. The finding is closed.
- 06-2 Previously reported corrective action plan implemented. The finding is closed.
- 07-1 The County has failed to implement the corrective action plan. Journal entries were made during the audit to adjust balance sheet accounts due to there again being a delay in receipt of the necessary information by the accounting department.

WALKER COUNTY, GEORGIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2009

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--

Identification of major program:

CFDA Number Name of Federal Programs or Cluster

93.104 Comprehensive Community Mental Health Services for Children With Serious Emotional Disturbances

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>
--	------------------

Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2009
(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 04-4:

Condition: The Clerk of Court's office is implementing procedures to maintain reconciliations between individual cash to secure balances and the cash to secure account, however, an unreconciled amount is still outstanding from previous years. This condition was a prior year finding.

Criteria: Procedures should be in place to facilitate the department in keeping a running record of individual cash to secure balances and those balances should be reconciled to the cash to secure account on a monthly basis.

Effect: Due to the lack of proper procedures in previous years, the department is still unable to reconcile individual accounts to the cash account.

Recommendation: Procedures should continue to be implemented to enable the department to maintain records of individual balances. We recommend maintaining current balances and reconciling the accounts to the bank balance on a monthly basis.

Views of Responsible Officials: The officials concur with the finding.

Planned corrective action: Management's response is located on page 82.

Finding 07-1:

Condition: Some material balance sheet accounts were not reconciled to supporting documentation at year end. In these instances, the ending balances were identified and supporting worksheets were prepared, however, circumstances prevented the accounting department from having all pertinent information necessary to determine the correct balance in a timely manner. This condition was a prior year finding.

Criteria: Accounting tasks such as monthly and annual reconciliations play a key role in providing the accuracy of accounting data and information included in the financial statements.

Effect: Failure to appropriately monitor balance sheet reconciliations could result in undetected material misstatements in the financial statements. The failure to ensure appropriate account reconciliations could allow errors to go undetected in the financial statements that management uses as part of its decision making process. Conversely, appropriate account reconciliations should provide management with more confidence in the financial statements.

Recommendations: A reconciliation of all balance sheet accounts should be prepared to determine that all transactions have been recorded and to discover any potential errors. These reconciliations will ensure meaningful and accurate financial statements.

Views of Responsible Officials: The officials concur with the finding.

Planned corrective action: Management's response is located on page 82.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

WALKER COUNTY, GEORGIA
 SCHEDULE OF PROJECTS CONSTRUCTED WITH
 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
 ADOPTED APRIL 24, 2003
 Year Ended September 30, 2009

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Water and sewer projects	\$5,000,000	\$2,878,757	\$--	\$2,878,757	100%
Fire hydrants	500,000	456,862	--	456,862	91
Emergency services	4,500,000	4,186,549	81,051	4,267,600	95
Technology	500,000	642,786	--	642,786	100
Animal shelter	300,000	578,780	--	578,780	100
Historical projects	200,000	319,332	--	319,332	100
Recreation	500,000	320,301	32,299	352,600	71
Roads, bridges, and road department equipment	4,875,000	8,039,040	1,336,960	9,376,000	100
Building construction and improvements	250,000	527,613	22,387	550,000	100
Industrial park improvements	<u>4,000,000</u>	<u>556,907</u>	--	<u>556,907</u>	14
Total for all projects	<u>\$20,625,000</u>	<u>\$18,506,927</u>	<u>\$1,472,697</u>	<u>\$19,979,624</u>	

WALKER COUNTY, GEORGIA
 SCHEDULE OF PROJECTS CONSTRUCTED WITH
 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
 ADOPTED DECEMBER 11, 2008
 Year Ended September 30, 2009

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Water and sewer projects	\$5,000,000	\$--	\$339,000	\$339,000	7%
Solid waste and stormwater management	1,000,000	--	--	--	--
Emergency services	5,800,000	--	3,556,000	3,556,000	61
Technology	2,000,000	--	1,213,000	1,213,000	61
Animal shelter	30,000	--	--	--	--
Historical projects	100,000	--	24,000	24,000	24
Recreation	2,000,000	--	176,000	176,000	9
Roads, bridges, and road department equipment	5,000,000	--	1,919,000	1,919,000	38
Building construction and improvements	2,500,000	--	887,000	887,000	35
Industrial and economic development	3,570,000	--	3,272,000	3,272,000	92
Public library	<u>1,500,000</u>	--	--	--	--
Total for all projects	<u>\$28,500,000</u>	<u>\$--</u>	<u>\$11,386,000</u>	<u>\$11,386,000</u>	

Bebe Heiskell
Walker County Commissioner

Post Office Box 445
LaFayette, Georgia 30728

March 30, 2010

Georgia Department of Audits & Accounts
Local Government Audit Section
270 Washington Street, S.W., Room 1-156
Atlanta, Georgia 30334-8400

Walker County, Georgia submits the following plan for corrective action regarding control deficiencies associated with our internal controls and compliance for the year ended September 30, 2009

The "Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" issued by Burk, Pearlman, Nebben & Huggins, PLLC, on March 30, 2010, referenced instances of noncompliance and control deficiencies. The corrective action taken on these items is as follows:

Finding 04-4

CLERK OF COURT OFFICE ACCOUNT RECONCILIATION

Clerk unable to reconcile cash to secure balance prior to 2004.

Corrective Action Plan/Management Response

We concur with the recommendation. Superior court began reconciling from October 2004 forward; but, cases/balances prior to October 2004 have not been reconciled. The Clerk that took office January 1, 2009 is attempting to reconcile all accounts under his control. He has thus far contracted for a review from an independent CPA and has also ordered a new accounting software package to aid in maintaining accountability. The records prior to his taking office are proving insufficient to support the balance. He is planning to request a court order to pay over the unsupported amounts. Amounts received after the current clerk took office are being reconciled.

Finding 07-1

SOME MATERIAL BALANCE SHEET ACCOUNTS WERE NOT RECONCILED TO SUPPORTING DOCUMENTATION AT YEAR END.

Georgia Department of Audits & Accounts
March 30, 2010

Accounts not reconciled to supporting documentation

Corrective Action Plan/Management Response

We concur with the recommendation. Most of the unreconciled balances for the current year were related to errors in recording accruals at year end. The uncertainty of the amounts involved resulted in delays in posting amounts at the fiscal year end. This resulted in rushing to close out the year.

If you have any questions, please contact Greg McConnell, Finance Officer, at (706) 638-1437.

Sincerely,

A handwritten signature in cursive script that reads "Bebe Heiskell".

Bebe A. Heiskell
Walker County Commissioner