

**WALTON COUNTY, GEORGIA
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE
FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by:
Walton County School District
Finance Department
Monroe, Georgia**

WALTON COUNTY SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION

Nathan D. Franklin, Ed.D.
Superintendent

George Underwood
Deputy Superintendent

Rusty Linder
Assistant Superintendent



Coleman Landers – *Chair/ District 4*
Tom Gibson – *Vice-Chair/ District 5*
Angenette Brooks – *District 1*
Karen Brown – *District 2*
Chris Kimbro – *District 3*
John Jessup – *District 6*
David Breedlove – *District 7*

December 19, 2023

To the Members of the Walton County Board of Education and Citizens of Walton County Georgia:

We are pleased to submit to you the annual comprehensive financial report (ACFR) of the Walton County School District (District) for the fiscal year ended June 30, 2023. This report conforms to generally accepted accounting principles as applicable to governmental entities. The Department of Finance prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District's administration and is presented for your review.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activity have been included. A comprehensive framework of internal control is in place to give reasonable assurance that the financial statements are free of any material misstatements.

Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in the Management's Discussion and Analysis beginning on page five of this report.

PROFILE OF THE SCHOOL DISTRICT

Walton County School District is one of two school districts located in Walton County, Georgia. The District serves the entire county area with the exception of the City of Social Circle, which has its own independent school district. It provides a program of public education from pre-k through grade twelve. The purpose and responsibility of the District is to provide a thorough and efficient educational system for the children enrolled in public schools within its boundaries whereby each student has access to programs and services that are appropriate to his or her educational needs.

The District is governed by a Board of Education consisting of seven members elected from seven county posts. Members serve four-year terms and each year appoints a chairperson and vice-

WALTON COUNTY SCHOOL DISTRICT

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chairperson. The Board appoints a Superintendent to oversee the day-to-day administration of the School District.

The Walton County Board of Education approved Dr. Nathan Franklin as the superintendent of the Walton County School District effective July 1, 2016. Dr. Franklin began his teaching career in 1996 at his alma mater, Dacula High School in Gwinnett County. He later went on to teach and coach at Norcross High School before becoming an associate principal and athletic director. Dr. Franklin came to Walton County as an assistant principal at Loganville High School in 2007. In November 2007, shortly after joining Loganville High School, Dr. Franklin was named the school's principal. He transitioned from school to district level administration in May 2012 becoming the assistant superintendent of facilities, maintenance and operations where he remained until becoming superintendent.

Dr. Franklin has earned five degrees: an associate's degree in science from Spartanburg Methodist College, a bachelor's degree in mathematics education from the University of Georgia, a master's in mathematics education from Piedmont College, in addition to both a specialist in administration and leadership and a doctorate in executive leadership from Lincoln Memorial University.

Through his involvement with a variety of professional organizations, Dr. Franklin connects with education professionals on local, state and national levels. During his tenure as an assistant superintendent and principal, he worked with the Council of Education Facility Planners International (CEFPI), Georgia Association of School Facilities Administrators (GASFA), Professional Association of Georgia Educators (PAGE), National Association of Secondary School Principals (NASSP) and the Georgia Association of Secondary School Principals (GASSP). He currently serves as a member of the Georgia School Superintendents Association (GSSA), The National School Superintendents Association (AASA), the Northeast Georgia Regional Service Agency (NEGA RESA). He currently sits on the GSSA Board of Directors and Georgia School Boards Association Risk Management Fund Board of Trustees. In addition, he is a Leadership Georgia Alumni (2019) and GSSA Bill Barr Leadership Award recipient (2021).

In addition to his professional experience, Dr. Franklin has extensive coaching experience having served as a wrestling, baseball, golf and football coach. He is an active member in the Walton community serving on a wide-range of committees and boards including United Way of Walton County, Walton County Chamber of Commerce Board of Directors, Walton County Board of Health, Foothills Education Charter High School Board of Control, Kiwanis of Loganville, The Cross Loganville, Walton County Chamber of Commerce Education Committee, Walton County Community Development Board and Leadership Walton Alumni Association.

He and his wife, Julie, along with their three children, Ryan, Will and Anna, make their home in Monroe, Ga.

WALTON COUNTY SCHOOL DISTRICT ACADEMIC HIGHLIGHTS (2023)

Georgia Milestones

End-of-Grade (EOG) Assessments

- English/Language Arts proficiency rates exceeded the State's performance in all grades 3-8, with 4th grade being the highest at eight percentage points. Additionally, performance in grades 3-6 and 8 met or exceeded the RESA with 4th grade being the highest at five percentage points.
- Mathematics proficiency rates exceeded the State's performance in all grades with 4th grade being the highest at 12 percentage points. Performances in grades 4-8 also exceeded the RESA with 4th grade being the highest at six percentage points.
- The Science assessment was only administered in grades 5 and 8, and the proficiency rates exceeded both the RESA and State rates. Grade 5 exceeded by five and eight percentage points, respectively. Grade 8 exceeded by 13 and 15 percentage points, respectively.
- The Social Studies assessment was only administered in grade 8, and the proficiency rate exceeded the State rate by four percentage points.
- The percent of EOG students reading on or above grade level exceeded the State's performance in all grades with the 5th grade exceeding by seven percentage points. Performances in all grades also exceeded the RESA with the highest being 4th grade at five percentage points.
- The district met or increased EOG proficiency rates from 2022 in 13 of 15 tested content areas and grade levels.

High School End-of-Course (EOC) Assessments

- The percent of WCSD students performing at the Proficient and Distinguished Learner levels were at or above the State in all subjects.
- The American Literature proficiency rate met the RESA rate and exceeded the State by five percentage points.
- The Algebra performance exceeded the State by two percentage points.
- Biology performance met the State rate.
- US History performance was greater than State by 12 percentage points.
- The percent of American Literature EOC students reading on or above grade level was greater than the RESA by two percentage points and the State by six percentage points.

ACCESS for ELL

- Elementary school level: For the sixth consecutive year, the district continued to post high English Learner progress toward English language proficiency -- 100 percent.
- High school level: English language proficiency trended upward by two percentage points.

Beyond the Core

- Nearly 100 percent of students in grades K – 5 earned a passing grade in a fine arts course.
- Ninety-eight (98) percent of middle school students earned a passing grade in a fine arts, world language, PE/health, or career exploratory course.

High School College and Career Readiness

- Since 2018, at least 70 percent of the 12th graders have completed an academic, CTAE, fine arts or world language pathway.
- The benchmarked rate of 12th graders earning dual enrollment or AP credits reached its highest level, at 84 percent.

Graduation Rate

- For the 4th consecutive year, the WCSO graduation rate remains above 90 percent at 92.2;
- The rate exceeded the State's rate for the 13th consecutive year (and by nearly 8 percentage points in 2023);
- For the 6th consecutive year, all three high schools had rates above the State;
- All Walton County subgroups exceeded the State subgroup rates in 2023;
- In 2023, graduation rates for subgroups remained high. Rates for Asian/Pacific Islander (100%), Black (93.8%), Hispanic (92.9%), and White (91.3%) all surpassed 90 percent. The remaining subgroup rates surpassed 80 percent: English Learners (80.6), Students with Disabilities (81.3%), Multi-racial (86.8) and Economically Disadvantaged (87.2%)

ECONOMIC CONDITION AND OUTLOOK

The District is located in the north central quadrant of Georgia, approximately 45 miles east of Atlanta and 27 miles west of Athens. The County comprises an area of approximately 330 square miles (88th in size out of 159 counties in Georgia) with an estimated census population of 99,853. The county seat is the City of Monroe.

The District expects state funding, as well as property tax revenue, to increase in the upcoming years.

LONG-TERM FINANCIAL PLANNING

ELOST, or "Education Local Option Sales Tax," is a referendum voted and approved by Walton County voters in which one percent is added to the local sales tax for the purpose of funding School District building and renovation projects that would otherwise require financing through increasing residents' property taxes.

ELOST V began January 1, 2018 and ran through September 30, 2022. The new ELOST VI began October 1, 2022 and ends September 30, 2027. The District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with ELOST and anticipated annual receipts of capital outlay funds from the state of Georgia Department of Education.

OTHER INFORMATION

Independent Audit: The financial statements have been audited by Mauldin & Jenkins, LLC, whose opinion is expressed on page 1. The District complies with the requirements of the Single Audit Act and associated reports and schedules are presented in the last section of this report.

Acknowledgments: We wish to express our appreciation to the entire staff of the Department of Finance, whose dedicated efforts have enabled this report to be prepared on a timely basis. The active involvement and professional support of Mauldin & Jenkins, LLC Partner, Josh Carroll and his auditing staff has been instrumental in the prompt completion of the associated audit of this report.

In closing, sincere gratitude is expressed to the Board of Education for their leadership and dedication to Walton County School District, its taxpayers, employees, and most importantly, its students. To the citizens of the Walton County School District, please accept our gratitude for your support of our successful school district.

Respectfully submitted,



Nathan Franklin, Ed.D.
Superintendent



Robin Bryant
Chief Financial Officer

**WALTON COUNTY SCHOOL DISTRICT
SUPERINTENDENT'S CABINET
JUNE 30, 2023**

Dr. Nathan Franklin	Superintendent
Chip Underwood	Assistant Superintendent Facilities, Maintenance, and Operations
Rusty Linder	Assistant Superintendent Curriculum and Instruction
Dr. Lance Young	Chief Human Resource Officer
Robin Bryant	Chief Financial Officer
Callen Moore	Director of Communications
Dell Biggs	Executive Assistant - Superintendent

**WALTON COUNTY SCHOOL DISTRICT
FUNCTION AND COMPOSITION
JUNE 30, 2023**

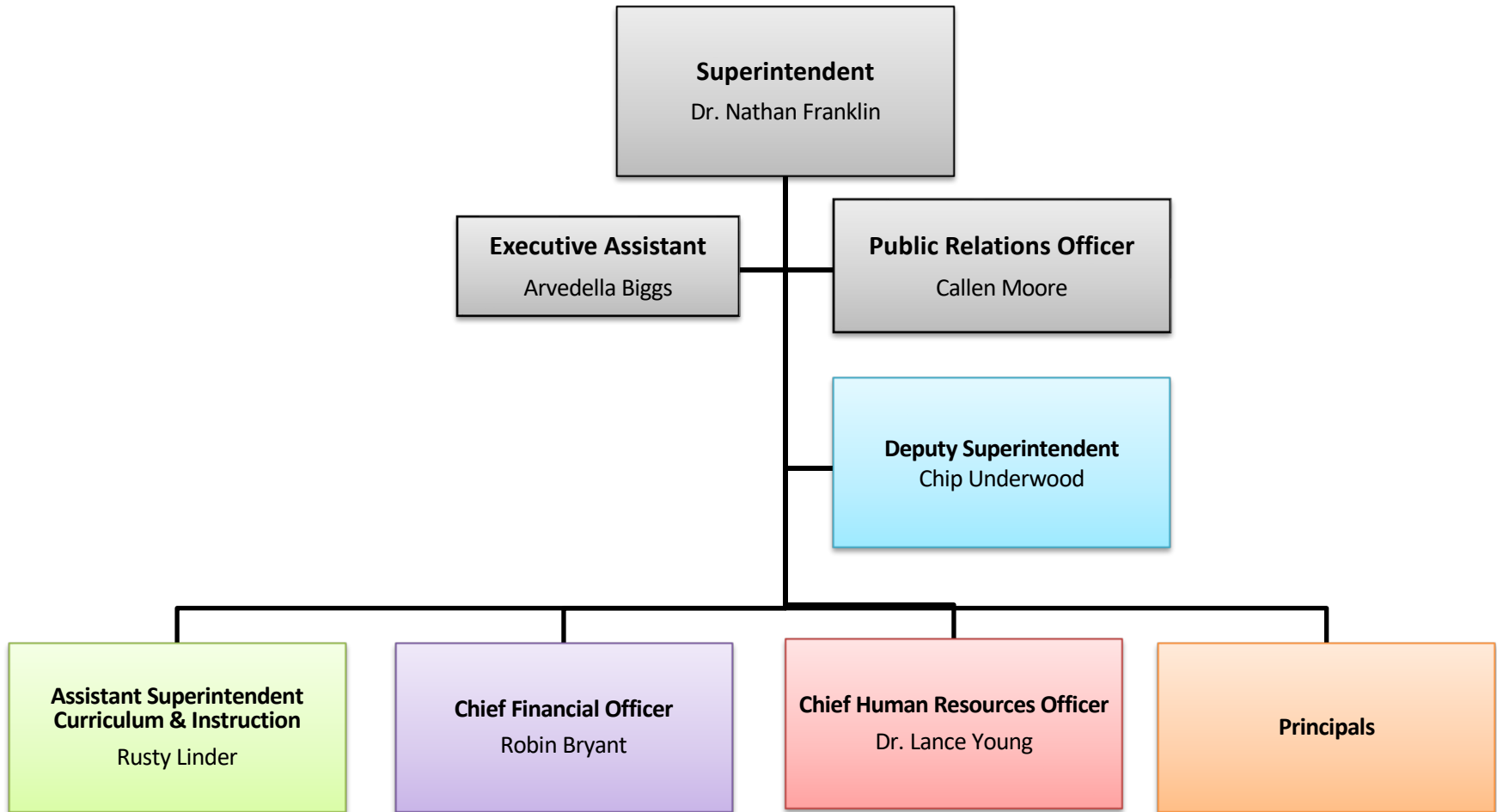
All matters relating to education and operations in Walton County School District are governed and controlled by the Board of Education as provided by Georgia law. The Board has the responsibility to maintain a uniform system of public schools providing quality education for all young people of Walton County. With the advice of the Superintendent, the Board must determine the policies and prescribe the rules and regulations for the management and administration of the school system.

Generally, the board holds public meetings twice a month to conduct normal business with special sessions as needed. The Board is composed of seven members who are each elected for four years from one of seven geographical districts in the county. The Board elects a Chairman and Vice-Chairman from the seven members to govern the body for a one-year period. As of June 30, 2023, the members of the Board and years of expiration of their terms are as follows:

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Chair	Mr. Coleman Landers	December 31, 2024
Vice-Chair	Mr. Tom Gibson	December 31, 2026
Board Member	Mr. David Breedlove	December 31, 2024
Board Member	Mr. John Jessup	December 31, 2024
Board Member	Mrs. Karen Brown	December 31, 2026
Board Member	Mrs. Chris Kimbro	December 31, 2024
Board Member	Mrs. Angenette Brooks	December 31, 2026

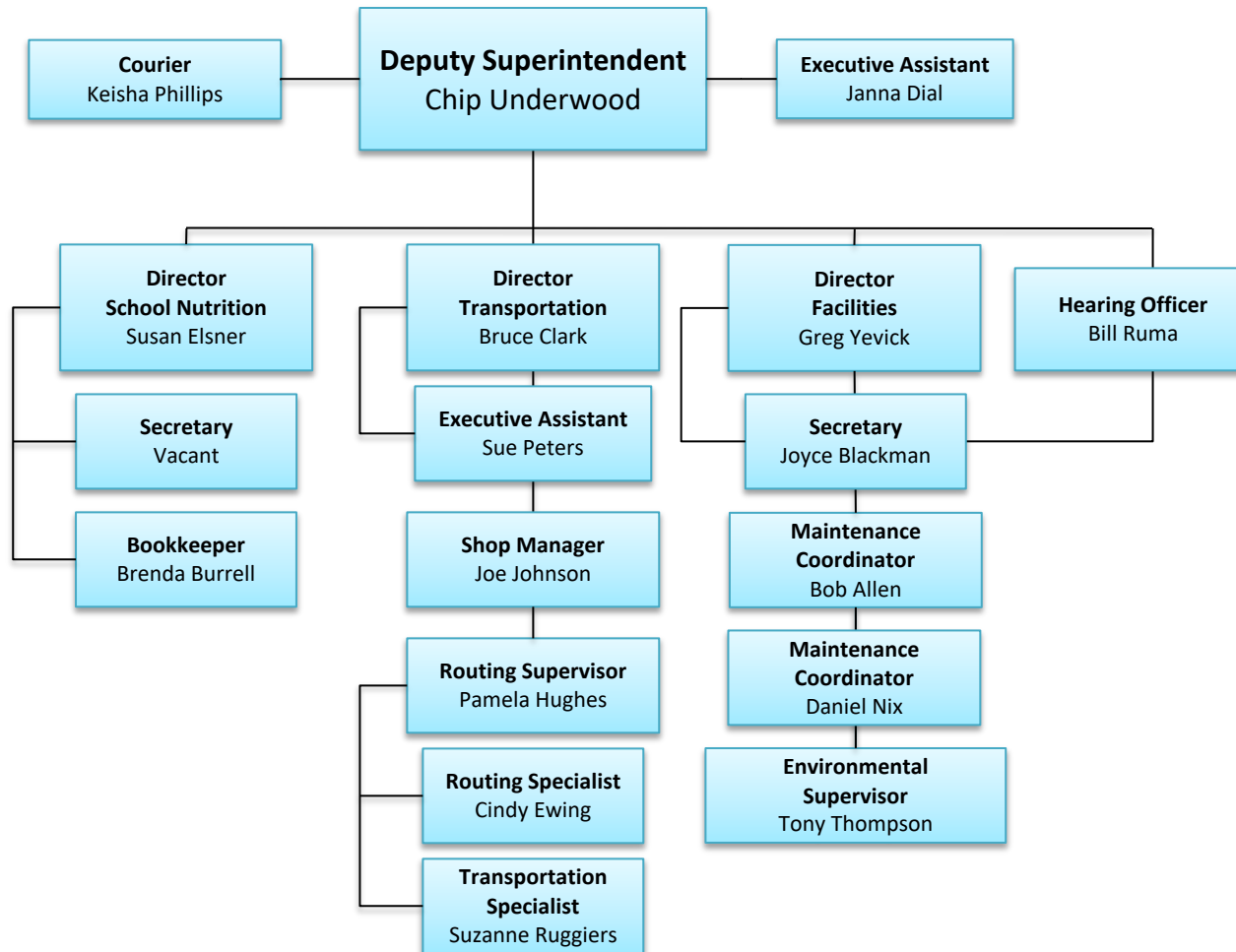
District Organizational Chart

2022-2023



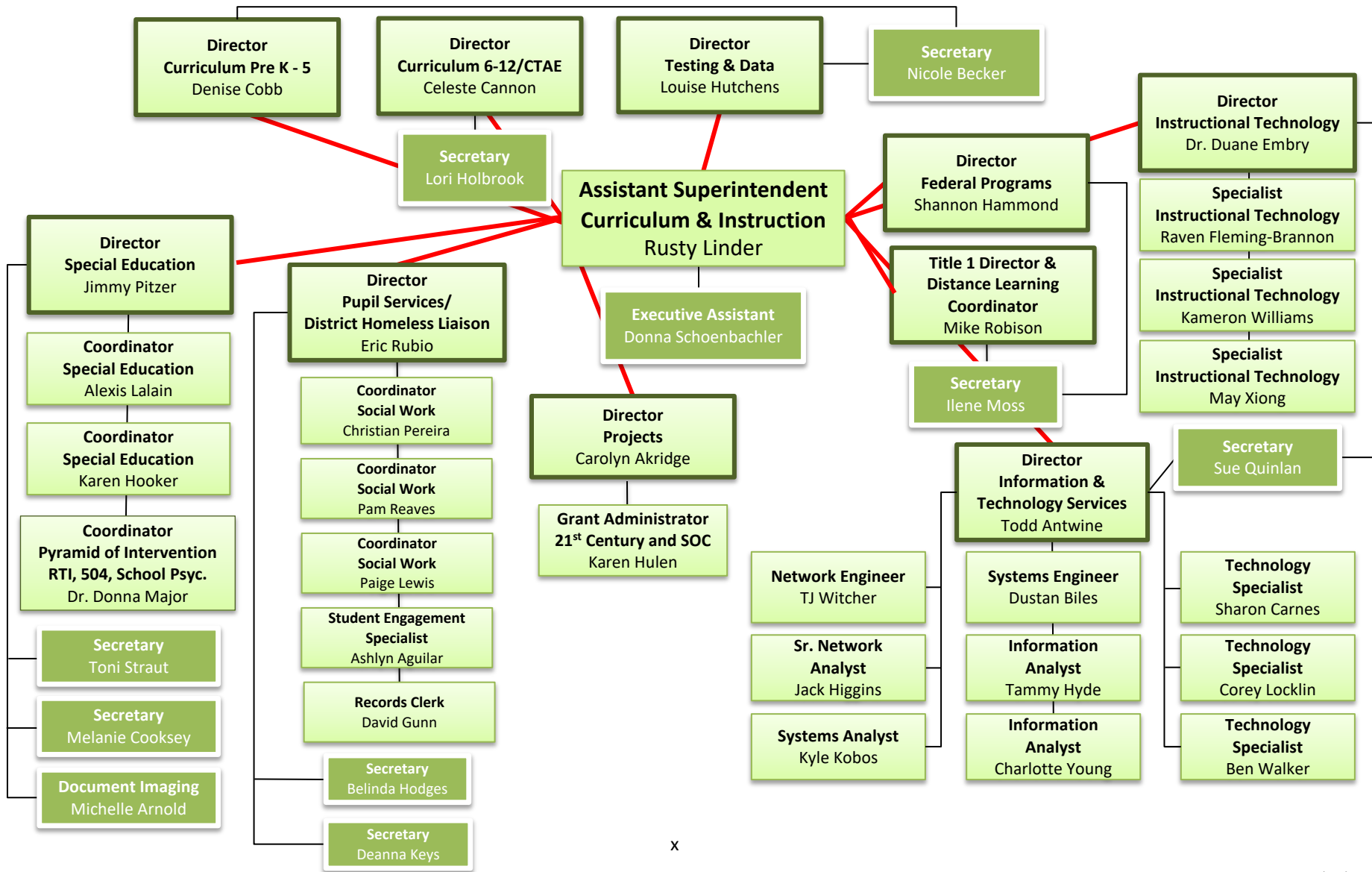
Facilities, Maintenance & Operations

2022-2023

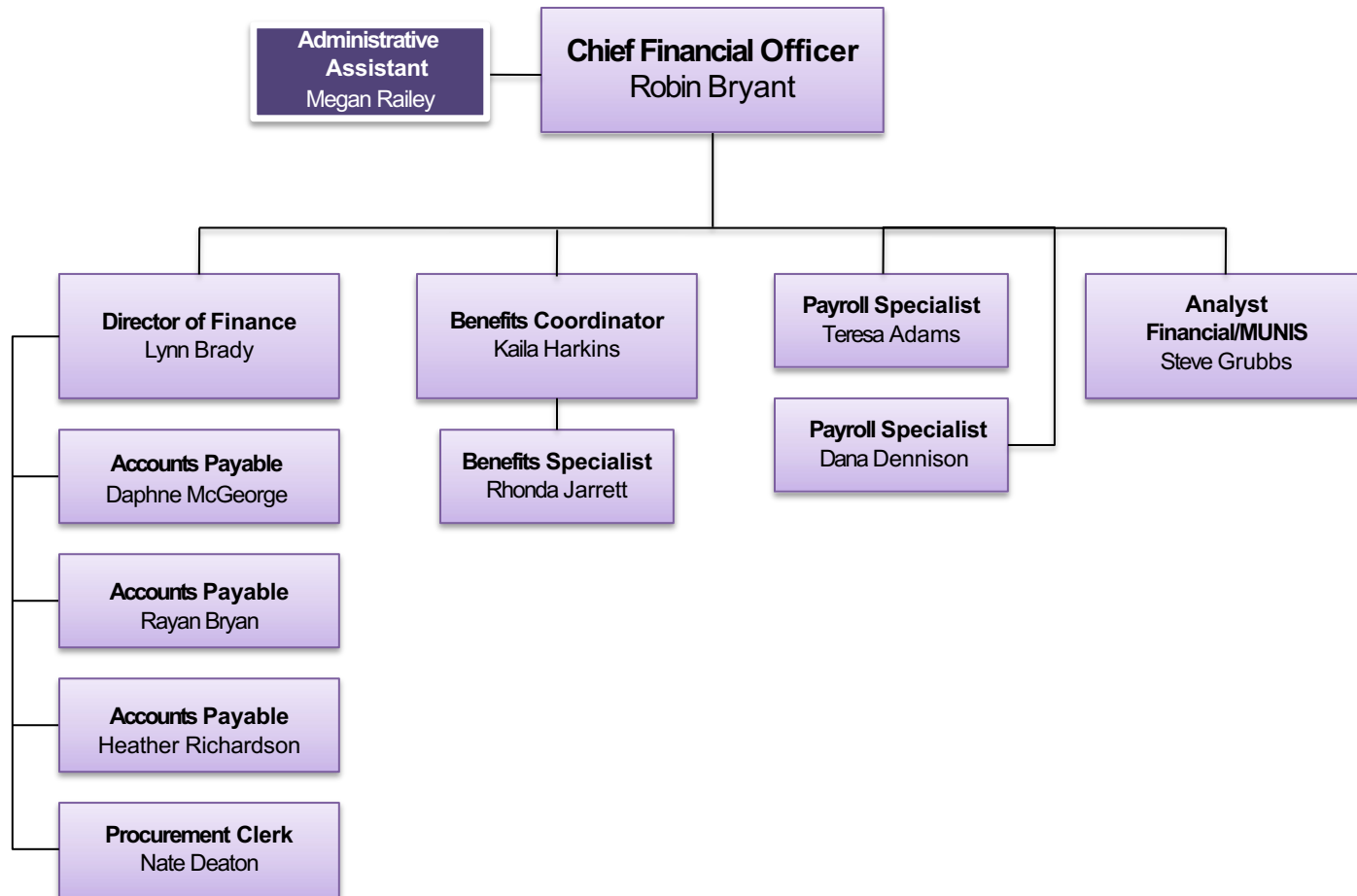


Curriculum & Instruction

2022-2023

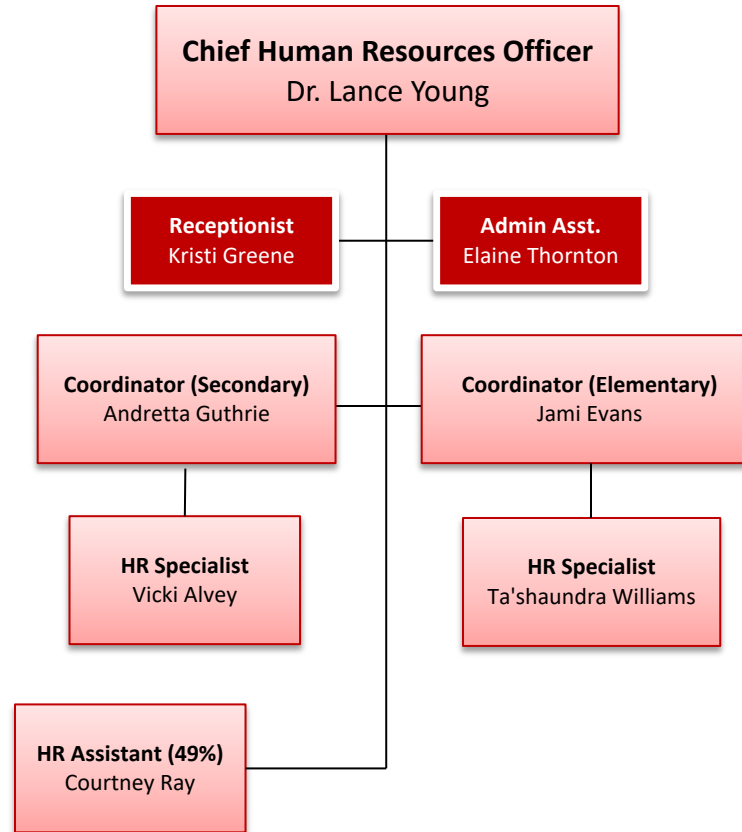


Finance 2022-2023



Human Resources

2022-2023



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the Walton County Board of Education
Monroe, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the **Walton County Board of Education** (the "District") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Walton County Board of Education as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Walton County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based IT Arrangements*, as of July 1, 2022. This standard significantly changed the accounting for the District's subscription based IT arrangements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Walton County Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

-
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of Net Pension Liability – TRS, the Schedule of Contributions – TRS, the Schedule of Proportionate Share of Net Pension Liability – PSERS, the Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund, and the Schedule of Contributions – School OPEB Fund (as listed in the table of contents) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying individual nonmajor fund schedule, schedule of expenditures of special purpose local option sales tax proceeds, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "supplementary information"), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023 on our consideration of the District'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 solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 19, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTION

Our discussion and analysis of the Walton County School District's ("School District")'s financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- On the District-wide financial statements, the assets and deferred outflows of resources of the School District's governmental activities exceeded liabilities and deferred inflows of resources by approximately \$153.3 million, while the assets and deferred outflows of resources of the business-type activities were \$274,141 more than liabilities and deferred inflows of resources. For governmental activities there is a deficit unrestricted net position of \$140.8 million.
- The School District had \$193.9 million in expenses relating to governmental activities and \$2.3 million in expenses for business-type activities; only approximately \$113.9 million of the governmental activities' expenses are offset by program specific charges for services, grants, and contributions, while \$2.3 million of the business-type expenses are offset by charges for services. General revenues (primarily property and sales taxes) of approximately \$105.6 million were provided for the governmental activities' programs.
- As stated above, general revenues accounted for approximately \$105.6 million or 48% of all revenues totaling \$219.6 million. Program specific revenues in the form of charges for services, grants and contributions accounted for the rest.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the district-wide and fund financial statements.

The district-wide financial statements include the Statement of Net Position and Statement of Activities. These statements provide information about the governmental and business-type activities of the School District presenting both short-term and long-term information about the School District's overall financial status.

The fund financial statements focus on individual parts of the school District, reporting the School District's operation in more detail. The Governmental Funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fund financial statements reflect the school District's most significant funds. In the case of the Walton County School District, the General Fund, the District-wide Capital Projects Fund, the Debt Service Fund, and the Grant Fund are the most significant funds.

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. Additionally, other supplementary information (not required) is also presented that further supplements understanding of the financial statements.

District-Wide Statements

The District-Wide financial statements are basically a consolidation of the entire District's operating funds into two columns, one called governmental activities and the other business-type activities. In reviewing the District-Wide financial statements, a reader might ask the question, are we in a better financial position than last year. The Statement of Net Position and the Statement of Activities provides the basis for answering this question. These financial statements include all District's assets, deferred outflows of resources, deferred inflows of resources, and liabilities and uses the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and any changes in net position. The change in net positions is important because it tells the reader that, for the School District as a whole, the financial position of the school District has improved or diminished. The causes of this change may be the results of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

The Statement of Net Position and the Statement of Activities reflects the School District's governmental activities and the business-type activities.

Fund Financial Statements

The School District uses many funds to account for a multitude of financial transactions during the fiscal year. However, the fund financial statements presented in this report provide detail information about only the School District's significant or major funds.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements. The basic governmental fund financial statements can be found on pages 17-21 of this report.

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Proprietary Funds - When the School District charges customers for the services it provides-whether to outside customers or to other units of the School District-these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the School District's enterprise fund (a type of proprietary fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary fund. The School District's Fuel Center Fund is used to account for the operations of the School District's fuel center and is included in the proprietary fund group as an enterprise fund. The proprietary fund statements begin on page 22.

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WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for this fiscal year.

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
Assets						
Current and Other Assets	\$ 120,678,693	\$ 102,122,407	\$ 325,477	\$ 315,456	\$ 121,004,170	\$ 102,437,863
Capital Assets, Net	<u>278,678,988</u>	<u>266,154,884</u>	<u>-</u>	<u>-</u>	<u>278,678,988</u>	<u>266,154,884</u>
Total Assets	<u>399,357,681</u>	<u>368,277,291</u>	<u>325,477</u>	<u>315,456</u>	<u>399,683,158</u>	<u>368,592,747</u>
Deferred Outflows of Resources						
Deferred Charge on Refunding	914,315	1,336,306	-	-	914,315	1,336,306
Pension Items	102,060,709	41,499,466	-	-	102,060,709	41,499,466
OPEB Items	<u>18,969,975</u>	<u>19,544,040</u>	<u>-</u>	<u>-</u>	<u>18,969,975</u>	<u>19,544,040</u>
Total Deferred Outflows of Resources	<u>121,944,999</u>	<u>62,379,812</u>	<u>-</u>	<u>-</u>	<u>121,944,999</u>	<u>62,379,812</u>
Liabilities						
Current and Other Liabilities	26,096,570	22,573,818	51,336	96,017	26,147,906	22,669,835
Long-Term Liabilities	<u>295,709,709</u>	<u>154,788,580</u>	<u>-</u>	<u>-</u>	<u>295,709,709</u>	<u>154,788,580</u>
Total Liabilities	<u>321,806,279</u>	<u>177,362,398</u>	<u>51,336</u>	<u>96,017</u>	<u>321,857,615</u>	<u>177,458,415</u>
Deferred Inflows of Resources						
Pension Items	1,137,442	80,797,555	-	-	1,137,442	80,797,555
OPEB Items	<u>45,064,431</u>	<u>44,810,354</u>	<u>-</u>	<u>-</u>	<u>45,064,431</u>	<u>44,810,354</u>
Total Deferred Inflows of Resources	<u>46,201,873</u>	<u>125,607,909</u>	<u>-</u>	<u>-</u>	<u>46,201,873</u>	<u>125,607,909</u>
Net Position						
Net Investment in Capital Assets	259,761,349	240,971,285	-	-	259,761,349	240,971,285
Restricted	34,304,875	33,375,511	-	-	34,304,875	33,375,511
Unrestricted	<u>(140,771,696)</u>	<u>(146,660,000)</u>	<u>274,141</u>	<u>219,439</u>	<u>(140,497,555)</u>	<u>(146,440,561)</u>
Total Net Position	<u>\$ 153,294,528</u>	<u>\$ 127,686,796</u>	<u>\$ 274,141</u>	<u>\$ 219,439</u>	<u>\$ 153,568,669</u>	<u>\$ 127,906,235</u>

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Table 2 shows the Changes in Net Position for this fiscal year.

Table 2 Change in Net Position						
	Governmental Activities		Business-type Activities		Total Government	
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2022
Revenues						
Program Revenues:						
Charges for Services and Sales	\$ 3,549,430	\$ 1,110,850	\$ 2,308,524	\$ 2,040,317	\$ 5,857,954	\$ 3,151,167
Operating Grants and Contributions	109,327,939	114,740,587	-	-	109,327,939	114,740,587
Capital Grants and Contributions	1,066,320	1,862,935	-	-	1,066,320	1,862,935
Total Program Revenues	113,943,689	117,714,372	2,308,524	2,040,317	116,252,213	119,754,689
General Revenues:						
Taxes						
Property Taxes for Maintenance and Operations	70,463,470	60,794,580	-	-	70,463,470	60,794,580
Property Taxes for Debit Service	7,695,293	6,766,193	-	-	7,695,293	6,766,193
Special Purpose Local Option					-	0
Sales Tax	18,696,228	17,256,639	-	-	18,696,228	17,256,639
Other Tax	1,657,942	2,721,778	-	-	1,657,942	2,721,778
Grants and contributions	999,432	908,649	-	-	999,432	908,649
Miscellaneous	6,112,266	4,312,285	-	-	6,112,266	4,312,285
Total General Revenues	105,624,631	92,760,124	-	-	105,624,631	92,760,124
Total Revenues	219,568,320	210,474,496	2,308,524	2,040,317	221,876,844	212,514,813
Program Expenses:						
Instruction	126,366,304	101,492,519	-	-	126,366,304	101,492,519
Support Services:						
Pupil Services	10,934,026	1,831,696	-	-	10,934,026	1,831,696
Improvement of Instructional Services	5,740,655	4,503,545	-	-	5,740,655	4,503,545
Educational Media Services	1,927,266	1,682,446	-	-	1,927,266	1,682,446
General Administration	2,427,714	2,501,755	-	-	2,427,714	2,501,755
School Administration	10,065,409	9,575,760	-	-	10,065,409	9,575,760
Business Administration	(1,026,913)	49,249	-	-	(1,026,913)	49,249
Maintenance and Operation of Plant	13,264,336	12,344,926	-	-	13,264,336	12,344,926
Student Transportation Services	11,450,036	11,557,228	-	-	11,450,036	11,557,228
Central Support Services	1,378,968	1,303,025	-	-	1,378,968	1,303,025
Other Support Services	2,459,142	1,831,603	-	-	2,459,142	1,831,603
Operations of Non-Instructional Services						
Miscellaneous Non-Instructional Services	645,040	568,855	-	-	645,040	568,855
Food Services	7,449,151	7,122,296	-	-	7,449,151	7,122,296
Fuel center services	-	-	2,253,822	2,115,741	2,253,822	2,115,741
Interest on Long-Term Debt	879,454	1,020,705	-	-	879,454	1,020,705
Total Expenses	193,960,588	157,385,608	2,253,822	2,115,741	196,214,410	159,501,349
Transfers	-	-	-	-	-	-
Change in Net Position	25,607,732	53,088,888	54,702	(75,424)	25,662,434	53,013,464
Net Position, Beginning of the Year	127,686,796	74,597,908	219,439	294,863	127,906,235	74,892,771
Restatement						
Net Position, End of the Year	<u>\$ 153,294,528</u>	<u>\$ 127,686,796</u>	<u>\$ 274,141</u>	<u>\$ 219,439</u>	<u>\$ 153,568,669</u>	<u>\$ 127,906,235</u>

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the school District's taxpayers by each activity.

Table 3
Total Cost and New Cost of Services - Fiscal Year 2023

	Governmental Activities		Business-Type Activities	
	Total Cost	Net Cost	Total Cost	Net Cost
Instruction	\$ 126,366,304	\$ (46,436,444)	\$ -	\$ -
Support Services:				
Pupil Services	10,934,026	(6,800,103)	-	-
Improvement of Instructional Services	5,740,655	(2,195,923)	-	-
Educational Media Services	1,927,266	146,064	-	-
General Administration	2,427,714	483,605	-	-
School Administration	10,065,409	(6,255,440)	-	-
Business Administration	(1,026,913)	1,055,091	-	-
Maintenance and Operation of Plant	13,264,336	(8,659,661)	-	-
Student Transportation Services	11,450,036	(7,544,534)	-	-
Central Support Services	1,378,968	(1,361,508)	-	-
Other Support Services	2,459,142	(2,430,492)	-	-
Operations of Non-Instructional Services:				
Miscellaneous Non-Instructional Services	645,040	(645,040)	-	-
Food Services	7,449,151	1,506,940	-	-
Facilities acquisition & Construction Services				
Interest on Long-Term Debt	879,454	(879,454)	-	-
Fuel Center Services	-	-	2,253,822	54,702
Total Expenses	<u>\$ 193,960,588</u>	<u>\$ (80,016,899)</u>	<u>\$ 2,253,822</u>	<u>\$ 54,702</u>

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Table 3
Total Cost and New Cost of Services - Fiscal Year 2022

	Governmental Activities		Business-Type Activities	
	Total Cost	Net Cost	Total Cost	Net Cost
Instruction	\$ 101,492,519	\$ (22,518,734)	\$ -	\$ -
Support Services:				
Pupil Services	1,831,696	1,743,757	-	-
Improvement of Instructional Services	4,503,545	(1,061,309)	-	-
Educational Media Services	1,682,446	402,595	-	-
General Administration	2,501,755	378,084	-	-
School Administration	9,575,760	(5,520,633)	-	-
Business Administration	49,249	21,334	-	-
Maintenance and Operation of Plant	12,344,926	(5,580,231)	-	-
Student Transportation Services	11,557,228	(6,996,908)	-	-
Central Support Services	1,303,025	(1,183,581)	-	-
Other Support Services	1,831,603	(1,798,456)	-	-
Operations of Non-Instructional Services:				
Miscellaneous Non-Instructional Services	568,855	(568,855)	-	-
Food Services	7,122,296	4,032,406	-	-
Facilities acquisition & Construction Services				
Interest on Long-Term Debt	1,020,705	(1,020,705)	-	-
Fuel Center Services	-	-	2,115,741	(75,424)
Total Expenses	<u>\$ 157,385,608</u>	<u>\$ (39,671,236)</u>	<u>\$ 2,115,741</u>	<u>\$ (75,424)</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues and other financing sources of approximately \$218.9 million and total expenditures and other financing uses of approximately \$203.9 million.

General Fund

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the General Fund. During the course of fiscal year 2023, the School District amended its General Fund budgeted as needed. For the General Fund, the actual revenues of \$161.3 million came over the final budgeted amounts of approximately \$148.9 million by approximately \$12.4 million. This difference was primarily due to State and local grants obtained throughout the year. The final actual expenditures of \$147.7 million came under the final budgeted amount of approximately \$148.3 million by \$572,629.

The fund balance of the District's General Fund increased by approximately \$12.7 million or 24%, during the 2023 fiscal year. This increase was due to the QBE midyear adjustment from the state and other additional funding.

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

District-wide Capital Projects

The fund balance of the District-wide Capital Project Fund decreased by \$837,109, during the 2023 fiscal year. This was attributed to increased construction costs and advanced purchasing of school technology equipment.

Debt Service

The fund balance of the Debt Service Fund increased by \$1.5 million, during the 2023 fiscal year.

Grants Fund Service

The Grants Fund administered \$21,852,010 of federal, state and local grants compared to \$27,274,049 in the prior year. The decrease in activity was primarily due to reduced COVID-19 and related grant funding.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year ended June 30, 2023, the School District had approximately \$278.7 million invested in capital assets, all in governmental activities. Table 4 reflects a summary of these balances net of accumulated depreciation.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	Governmental Activities
	Fiscal Year 2023	Fiscal Year 2022
Land	\$ 16,547,869	\$ 16,547,869
Construction in Progress	22,244,929	20,662,602
Buildings and Improvements	233,882,802	223,989,764
Subscription-Based Technology Arrangements	121,500	-
Equipment	5,881,888	4,954,649
Total	<u>\$ 278,678,988</u>	<u>\$ 266,154,884</u>

Additional information on the District's Capital Assets can be found in Note 6.

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Debt

At fiscal year ended June 30, 2023, the School District had approximately \$161.5 million in long-term liabilities outstanding. Table 5 summarizes the School District's debt for general obligation bonds and premium on bonds sold.

Table 5
Debt at June 30

	Governmental Activities	Governmental Activities
	Fiscal Year 2023	Fiscal Year 2022
General Obligation Bonds	\$ 17,205,000	\$ 22,415,000
Bond Premium	615,821	1,076,558
Net Pension Liability	209,179,322	55,185,189
Net OPEB Liability	74,088,774	81,258,065
Claims Payable	435,512	610,122
Compensated Absences	1,011,324	910,976
Total	<u>\$ 302,535,753</u>	<u>\$ 161,455,910</u>

Additional information on the District's Debt can be found in Note 9.

CURRENT ISSUES

Currently known facts, decisions or conditions that are expected to have a significant effect on financial positions or results of operations:

- Capital Improvements - The School District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs. Construction on two high school auxiliary gyms began in the summer of 2022 and scheduled to be completed in late 2023. Renovations to two elementary schools and one middle school began in 2023. Specific capital expenditure plans are formalized in conjunction with Educational Local Option Sales Tax (ELOST) and anticipated annual receipts of capital outlay funds from the Georgia Department of Education. The School District regularly monitors anticipated capital outlay needs. The current Education Local Option Sales Tax (ELOST V) began January 1, 2018 and ended December 31, 2022. The new ELOST VI began January 1, 2023 and will end December 31, 2027.

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Robin Bryant, Chief Financial Officer, at Walton County School District, 200 Double Springs Church Road, Monroe, Georgia 30656. You may also email your question(s) to Ms. Bryant at rbryant@walton.k12.ga.us.

BASIC FINANCIAL STATEMENTS

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 101,728,304	\$ -	\$ 101,728,304
Receivables:			
Accounts	2,828	356,576	359,404
Intergovernmental	17,144,819	-	17,144,819
Taxes, net of allowances	1,422,172	-	1,422,172
Internal balances	121,255	(121,255)	-
Inventory	210,358	90,156	300,514
Prepaid items	48,957	-	48,957
Capital assets (non-depreciable)	38,792,798	-	38,792,798
Capital assets (net of accumulated depreciation)	239,886,190	-	239,886,190
Total assets	<u>399,357,681</u>	<u>325,477</u>	<u>399,683,158</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	914,315	-	914,315
Deferred outflows - pension items	102,060,709	-	102,060,709
Deferred outflows - OPEB items	18,969,975	-	18,969,975
Total deferred outflows of resources	<u>121,944,999</u>	<u>-</u>	<u>121,944,999</u>
LIABILITIES			
Accounts payable	6,978,342	51,336	7,029,678
Salaries and benefits payable	11,132,561	-	11,132,561
Contracts payable	788,446	-	788,446
Accrued interest payable	371,177	-	371,177
Accrued claims payable	435,512	-	435,512
Bonds payable due within one year	5,450,000	-	5,450,000
Bonds payable due in more than one year	12,370,821	-	12,370,821
Net pension liability	209,179,322	-	209,179,322
Net OPEB liability	74,088,774	-	74,088,774
Compensated absences, due within one year	940,532	-	940,532
Compensated absences, due in more than one year	70,792	-	70,792
Total liabilities	<u>321,806,279</u>	<u>51,336</u>	<u>321,857,615</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension items	1,137,442	-	1,137,442
Deferred inflows - OPEB items	45,064,431	-	45,064,431
Total deferred inflows of resources	<u>46,201,873</u>	<u>-</u>	<u>46,201,873</u>
NET POSITION			
Net investment in capital assets	259,761,349	-	259,761,349
Restricted for:			
Capital projects	19,025,126	-	19,025,126
Debt service	8,799,284	-	8,799,284
Scholarships	1,252	-	1,252
School nutrition	6,479,213	-	6,479,213
Unrestricted	(140,771,696)	274,141	(140,497,555)
Total net position	<u>\$ 153,294,528</u>	<u>\$ 274,141</u>	<u>\$ 153,568,669</u>

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

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction	\$ 126,366,304	\$ 615,179	\$ 79,314,681	\$ -	\$ (46,436,444)	\$ -	\$ (46,436,444)
Support services:							
Pupil services	10,934,026	-	4,133,923	-	(6,800,103)	-	(6,800,103)
Improvement of instructional services	5,740,655	-	3,544,732	-	(2,195,923)	-	(2,195,923)
Educational media services	1,927,266	-	2,073,330	-	146,064	-	146,064
General administration	2,427,714	-	2,911,319	-	483,605	-	483,605
School administration	10,065,409	-	3,809,969	-	(6,255,440)	-	(6,255,440)
Business administration	(1,026,913)	-	28,178	-	1,055,091	-	1,055,091
Maintenance and operation of plant	13,264,336	188,032	4,416,643	-	(8,659,661)	-	(8,659,661)
Student transportation services	11,450,036	-	2,839,182	1,066,320	(7,544,534)	-	(7,544,534)
Central support services	1,378,968	-	17,460	-	(1,361,508)	-	(1,361,508)
Other support services	2,459,142	-	28,650	-	(2,430,492)	-	(2,430,492)
Operations of non-instructional services:							
Enterprise operations	645,040	-	-	-	(645,040)	-	(645,040)
Food services operation	7,449,151	2,746,219	6,209,872	-	1,506,940	-	1,506,940
Interest on long-term debt	879,454	-	-	-	(879,454)	-	(879,454)
Total governmental activities	193,960,588	3,549,430	109,327,939	1,066,320	(80,016,899)	-	(80,016,899)
Business-type activities:							
Fuel center services	2,253,822	2,308,524	-	-	-	54,702	54,702
Total business-type activities	2,253,822	2,308,524	-	-	-	54,702	54,702
Total	\$ 196,214,410	\$ 5,857,954	\$ 109,327,939	\$ 1,066,320	(80,016,899)	54,702	(79,962,197)
General revenues:							
Property taxes, levied for general purposes					70,463,470	-	70,463,470
Property taxes, levied for debt service					7,695,293	-	7,695,293
Sales taxes					18,696,228	-	18,696,228
Other taxes					1,657,942	-	1,657,942
Grants and contributions not restricted to specific programs					999,432	-	999,432
Unrestricted investment earnings					1,816,360	-	1,816,360
Other					4,295,906	-	4,295,906
Total general revenues					105,624,631	-	105,624,631
Change in net position					25,607,732	54,702	25,662,434
Net position, beginning of fiscal year					127,686,796	219,439	127,906,235
Net position, end of fiscal year					\$ 153,294,528	\$ 274,141	\$ 153,568,669

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

WALTON COUNTY SCHOOL DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

ASSETS	General	District-Wide Capital Projects	Debt Service	Grants	Nonmajor Governmental Fund	Total Governmental Funds
					School Nutrition	
Cash and cash equivalents	\$ 67,441,399	\$ 17,178,681	\$ 8,716,962	\$ 1,821,692	\$ 6,569,570	\$ 101,728,304
Receivables:						
Accounts	552	-	-	185	2,091	2,828
Intergovernmental	13,191,278	1,846,445	-	2,107,096	-	17,144,819
Taxes, net of allowances	1,339,850	-	82,322	-	-	1,422,172
Due from other funds	121,255	-	-	-	-	121,255
Inventory	-	-	-	-	210,358	210,358
Prepaid items	48,957	-	-	-	-	48,957
Total assets	<u>\$ 82,143,291</u>	<u>\$ 19,025,126</u>	<u>\$ 8,799,284</u>	<u>\$ 3,928,973</u>	<u>\$ 6,782,019</u>	<u>\$ 120,678,693</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 5,173,199	\$ 1,222,687	\$ -	\$ 557,339	\$ 25,117	\$ 6,978,342
Contracts payable	-	788,446	-	-	-	788,446
Salaries and benefits payable	9,944,379	-	-	910,493	277,689	11,132,561
Total liabilities	<u>15,117,578</u>	<u>2,011,133</u>	<u>-</u>	<u>1,467,832</u>	<u>302,806</u>	<u>18,899,349</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - property taxes	148,835	-	22,465	-	-	171,300
Total deferred inflows of resources	<u>148,835</u>	<u>-</u>	<u>22,465</u>	<u>-</u>	<u>-</u>	<u>171,300</u>
FUND BALANCES						
Nonspendable:						
Inventory	-	-	-	-	210,358	210,358
Prepaid items	48,957	-	-	-	-	48,957
Restricted for:						
Capital projects	-	17,013,993	-	-	-	17,013,993
Debt service	-	-	8,776,819	-	-	8,776,819
Scholarships	-	-	-	1,252	-	1,252
School nutrition	-	-	-	-	6,268,855	6,268,855
Assigned for:						
School use	-	-	-	2,459,889	-	2,459,889
Unassigned:	66,827,921	-	-	-	-	66,827,921
Total fund balances	<u>66,876,878</u>	<u>17,013,993</u>	<u>8,776,819</u>	<u>2,461,141</u>	<u>6,479,213</u>	<u>101,608,044</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 82,143,291</u>	<u>\$ 19,025,126</u>	<u>\$ 8,799,284</u>	<u>\$ 3,928,973</u>	<u>\$ 6,782,019</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Cost	348,123,279
Less accumulated depreciation/amortization	(69,444,291)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.

Property taxes	171,300
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The net pension liability is not due and payable in the current period and is therefore not reported in governmental funds, along with related amounts.

Net pension liability	(209,179,322)
Deferred outflows of resources - pension items	102,060,709
Deferred inflows of resources - pension items	(1,137,442)

The net OPEB liability is not due and payable in the current period and is therefore not reported in governmental funds, along with related amounts.

Net OPEB liability	(74,088,774)
Deferred outflows of resources - OPEB items	18,969,975
Deferred inflows of resources - OPEB items	(45,064,431)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds	(17,205,000)
Bonds premium, net of amortization	(615,821)
Deferred charge on refunding	914,315
Claims payable	(435,512)
Accrued interest	(371,177)
Compensated absences	(1,011,324)

Net position of governmental activities	<u>\$ 153,294,528</u>
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The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		District-Wide Capital Projects	Debt Service	Grants	Nonmajor Governmental Fund School Nutrition	Total Governmental Funds
	General					
REVENUES						
State funds	\$ 86,161,736	\$ 124,042	\$ -	\$ 2,282,394	\$ 289,635	\$ 88,857,807
Federal funds	78,081	-	-	15,435,965	5,873,267	21,387,313
Local and other funds	75,016,174	19,091,674	7,685,604	4,133,651	2,754,113	108,681,216
Total revenues	<u>161,255,991</u>	<u>19,215,716</u>	<u>7,685,604</u>	<u>21,852,010</u>	<u>8,917,015</u>	<u>218,926,336</u>
EXPENDITURES						
Current:						
Instruction	99,164,696	2,554,195	-	12,316,402	-	114,035,293
Support services:						
Pupil services	5,079,714	-	-	2,830,238	-	7,909,952
Improvement of instructional services	3,814,360	-	-	1,793,816	-	5,608,176
Educational media services	2,146,245	-	-	104,194	-	2,250,439
General administration	1,483,148	-	-	893,601	-	2,376,749
School administration	10,141,198	-	-	88,780	-	10,229,978
Business administration	1,483,012	-	-	198	-	1,483,210
Maintenance and operation of plant	12,966,687	-	-	117,866	-	13,084,553
Student transportation services	9,940,791	-	-	1,307,584	-	11,248,375
Central support services	1,354,275	-	-	99	-	1,354,374
Other support services	62,874	-	-	2,247,625	-	2,310,499
Food services operation	62,370	-	-	716	7,592,992	7,656,078
Enterprise operations	-	-	-	644,658	-	644,658
Capital outlay	-	17,498,630	-	-	-	17,498,630
Debt service:						
Principal retirement	-	-	5,210,000	-	-	5,210,000
Interest	-	-	1,024,658	-	-	1,024,658
Total expenditures	<u>147,699,370</u>	<u>20,052,825</u>	<u>6,234,658</u>	<u>22,345,777</u>	<u>7,592,992</u>	<u>203,925,622</u>
Excess (deficiency) of revenues over expenditures	<u>13,556,621</u>	<u>(837,109)</u>	<u>1,450,946</u>	<u>(493,767)</u>	<u>1,324,023</u>	<u>15,000,714</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	826,570	-	826,570
Transfers out	(826,570)	-	-	-	-	(826,570)
Total other financing sources (uses)	<u>(826,570)</u>	<u>-</u>	<u>-</u>	<u>826,570</u>	<u>-</u>	<u>-</u>
Net change in fund balances	12,730,051	(837,109)	1,450,946	332,803	1,324,023	15,000,714
FUND BALANCE, beginning of fiscal year	<u>54,146,827</u>	<u>17,851,102</u>	<u>7,325,873</u>	<u>2,128,338</u>	<u>5,155,190</u>	<u>86,607,330</u>
FUND BALANCE, end of fiscal year	<u>\$ 66,876,878</u>	<u>\$ 17,013,993</u>	<u>\$ 8,776,819</u>	<u>\$ 2,461,141</u>	<u>\$ 6,479,213</u>	<u>\$ 101,608,044</u>

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

WALTON COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Net change in fund balances - total governmental funds	\$	15,000,714
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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/amortization expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 17,130,056		
Depreciation/amortization expense	<u>(4,605,952)</u>		12,524,104

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Property taxes			85,076
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments - bonds	\$ 5,210,000		
Bond premium amortization expense	460,737		
Amortization on deferred charge on refunded general obligation debt	<u>(421,991)</u>		5,248,746

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	\$ (100,348)		
Claims payable	174,610		
Pension expense	(13,772,777)		
OPEB expense	6,341,149		
Change in accrued interest	<u>106,458</u>		<u>(7,250,908)</u>

Change in net position of governmental activities	\$	<u>25,607,732</u>
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The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
State sources	\$ 78,740,535	\$ 83,184,326	\$ 86,161,736	\$ 2,977,410
Federal sources	500,000	500,000	78,081	(421,919)
Local sources and other funds	65,233,660	65,233,660	75,016,174	9,782,514
Total revenues	144,474,195	148,917,986	161,255,991	12,338,005
EXPENDITURES				
Current:				
Instruction	96,519,477	99,487,093	99,164,696	322,397
Support services:				
Pupil services	5,449,834	5,559,040	5,079,714	479,326
Improvement of instructional services	3,787,161	3,815,846	3,814,360	1,486
Educational media services	2,043,325	2,118,589	2,146,245	(27,656)
General administration	2,235,537	2,274,816	1,483,148	791,668
School administration	9,928,862	10,080,311	10,141,198	(60,887)
Business administration	1,399,856	1,407,581	1,483,012	(75,431)
Maintenance and operation of plant	12,784,292	12,784,292	12,966,687	(182,395)
Student transportation services	8,172,301	9,238,621	9,940,791	(702,170)
Central support services	1,331,433	1,381,309	1,354,275	27,034
Other support services	62,880	62,880	62,874	6
School nutrition services	61,621	61,621	62,370	(749)
Total expenditures	143,776,579	148,271,999	147,699,370	572,629
Excess of revenues over expenditures	697,616	645,987	13,556,621	12,910,634
OTHER FINANCING USES				
Transfers out	(864,500)	(864,500)	(826,570)	37,930
Total other financing uses	(864,500)	(864,500)	(826,570)	37,930
Net change in fund balances	(166,884)	(218,513)	12,730,051	12,948,564
FUND BALANCE, beginning of fiscal year	54,146,827	54,146,827	54,146,827	-
FUND BALANCE, end of fiscal year	\$ 53,979,943	\$ 53,928,314	\$ 66,876,878	\$ 12,948,564

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

WALTON COUNTY SCHOOL DISTRICT

GRANTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
State sources	\$ 2,815,589	\$ 2,315,589	\$ 2,282,394	\$ (33,195)
Federal sources	19,777,658	22,322,721	15,435,965	(6,886,756)
Local sources	-	573,903	4,133,651	3,559,748
Total revenues	<u>22,593,247</u>	<u>25,212,213</u>	<u>21,852,010</u>	<u>(3,360,203)</u>
EXPENDITURES				
Current:				
Instruction	14,002,225	16,601,446	12,316,402	4,285,044
Support services:				
Pupil services	2,657,505	2,407,564	2,830,238	(422,674)
Improvement of instructional services	1,882,775	1,906,781	1,793,816	112,965
Educational media services	-	-	104,194	(104,194)
General administration	450,171	486,688	893,601	(406,913)
School administration	-	24,735	88,780	(64,045)
Business administration	-	-	198	(198)
Maintenance and operation of plant	273,338	21,771	117,866	(96,095)
Student transportation services	1,642,660	1,823,942	1,307,584	516,358
Central support services	125,033	233	99	134
Other support services	40,500	40,500	2,247,625	(2,207,125)
Food services	-	323,735	716	323,019
Enterprise operations	-	-	644,658	(644,658)
Total expenditures	<u>21,074,207</u>	<u>23,637,395</u>	<u>22,345,777</u>	<u>1,291,618</u>
Excess (deficiency) of revenues over expenditures	1,519,040	1,574,818	(493,767)	(2,068,585)
OTHER FINANCING SOURCES				
Transfers in	-	573,903	826,570	252,667
Total other financing sources	<u>-</u>	<u>573,903</u>	<u>826,570</u>	<u>252,667</u>
Net change in fund balances	1,519,040	2,148,721	332,803	(1,815,918)
FUND BALANCE, beginning of year	<u>2,128,338</u>	<u>2,128,338</u>	<u>2,128,338</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 3,647,378</u>	<u>\$ 4,277,059</u>	<u>\$ 2,461,141</u>	<u>\$ (1,815,918)</u>

WALTON COUNTY SCHOOL DISTRICT

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023**

		Non-major Enterprise Fund Fuel Fund
	ASSETS	
Intergovernmental receivable		\$ 356,576
Inventory		90,156
Total assets		<u>446,732</u>
	LIABILITIES	
Accounts payable		51,336
Due to other funds		121,255
Total liabilities		<u>172,591</u>
	NET POSITION	
Unrestricted net position		<u>\$ 274,141</u>

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

WALTON COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Non-major Enterprise Fund Fuel Fund
OPERATING REVENUES	
Charges for services:	
Charges to other funds	\$ 1,175,551
Charges to other entities	1,132,973
Total revenues	<u>2,308,524</u>
OPERATING EXPENSES	
Fuel center operations	<u>2,253,822</u>
Total expenses	<u>2,253,822</u>
Change in net position	54,702
NET POSITION, beginning of fiscal year	<u>219,439</u>
NET POSITION, end of fiscal year	<u><u>\$ 274,141</u></u>

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

WALTON COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Non-major Enterprise Fund Fuel Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,408,322
Payments to suppliers and service providers	(2,400,038)
Payments to employees	(8,284)
Net cash used in operating activities	-
Net change in cash	-
CASH	
Beginning of the year	-
End of the year	\$ -
Reconciliation of operating income to net cash used in operating activities:	
Operating income	\$ 54,702
Adjustments to reconcile operating income to net cash used in operating activities:	
Decrease in accounts receivable	99,798
Decrease in inventory	34,590
Decrease in accounts payable	(44,681)
Decrease in due to other funds	(144,409)
Net cash used in operating activities	\$ -

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

NOTES TO BASIC FINANCIAL STATEMENTS

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Walton County School District (the "School District") was established under the laws of the State of Georgia and operates under the guidance of a school board (the "Board of Education") elected by the voters and a Superintendent appointed by the Walton County School District. The School District is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

Basis of Presentation

The School District's basic financial statements are collectively comprised of the District-wide financial statements, fund financial statements and notes to the basic financial statements of the Walton County School District.

District-wide Statements:

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions are reported separately from Business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities, as well as the business-type activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include (a) 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.

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

In the Statement of Net Position, equity is reported as net position and consists of amounts invested in capital assets, net of related debt, amounts restricted by outside parties for specific purposes and unrestricted amounts. The net investment in capital assets is calculated as follow:

Capital assets, net of depreciation	\$ 278,678,988
Less:	
Bonds payable	(17,820,821)
Contracts (retainage) payable	(788,446)
Capital related accounts payable	(1,222,687)
Plus deferred charge on refunding	914,315
	<u>\$ 259,761,349</u>

Fund Financial Statements:

The fund financial statements provide information about the School District's funds, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. Separate statements for each category (governmental and proprietary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- *General Fund* is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.
- *District-Wide Capital Projects Fund* accounts for financial resources including Special Purpose Local Option Sales Tax (SPLOST), Bond Proceeds and grants from Georgia State Financing and Investment Commission to be used for the acquisition, construction or renovation of major capital facilities.
- *Debt Service Fund* accounts for taxes (property and sales) legally restricted for the payment of general long-term principal, interest and paying agent's fees.
- *Grants Fund* accounts for various Federal, State, and Local grant monies received by the District in which the revenues are legally restricted by external parties.

The School District reports the following fund types:

- *Special Revenue Funds* account for revenues and the related expenditures from restricted or committed sources, such as federal and state grants or restricted donations made to the School District.
- *Enterprise funds* account for operations that provide services to other departments and other governmental entities on a cost reimbursement basis. The School District uses an enterprise fund to account for the School District's fuel center as the primary users are external entities.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting/Measurement Focus

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and 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 School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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. Property taxes and sales taxes are recognized as revenue in the period for which they were levied if they are collected within sixty days of year end. All other revenues reported in the governmental funds are considered to be available if they are collected within one year after year-end. Property taxes, sales taxes, intergovernmental revenues, 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. Capital asset acquisitions including entering into contracts giving School District the right to use subscription-based IT arrangement assets are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under financed purchases and financing through leases are reported as other financing sources.

Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting/Measurement Focus (Continued)

The State of Georgia reimburses the School District for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a twelve-month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School District over the same twelve-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net position available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 revenue of the enterprise fund is charges to customers for sales and services provided. Operating expenses for the enterprise fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. The Official Code of Georgia Annotated Section 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks or insured Federal Savings and Loan Associations.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1 per share. The pool also adjusts the fair value of its investments to fair market value as of year-end and the District's investment in Georgia Fund 1 is reported at fair value. The regulatory oversight agency for Georgia Fund 1 is the State Treasurer of the State of Georgia. As of June 30, 2023, the District considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

The Walton County Tax Commissioner approved the property tax levy for the 2022 tax digest year (calendar year) on August 2, 2022 (levy date). Taxes were due on November 15, 2022 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2022 tax digest are reported as revenue in the governmental funds for fiscal year 2023. The Walton County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District.

The Georgia Constitution, Article VIII, Section VI, Paragraph I requires the board of education of each school system to annually certify to its fiscal authority or authorities a school tax not greater than 20 mills per dollar for the support and maintenance of education (operations). The Walton County School District is in compliance with this law. Tax millage rates levied for the 2022 tax year (calendar year) for the Walton County School District were as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	17.737 mills
School Bonds	<u>2.134</u> mills
Total	<u>19.871</u> mills

Sales Taxes

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to \$18,696,228 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

Inventories

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased food inventories are reported at cost (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The prepaid items are recognized on the consumption method.

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets purchased and right of use leased assets, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist.

Donated capital assets are recorded at estimated acquisition value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art.

Capitalization thresholds and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Land	\$1,000	N/A
Land Improvements	\$50,000	20 to 80 years
Buildings and Improvements	\$100,000	15 to 80 years
Equipment	\$35,000	5 to 50 years
Intangible right-to-use leased asset	\$100,000	5 to 10 years
Intangible assets, software	\$100,000	5 to 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Governmental Activities report four types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. Governmental Activities report (1) the deferred outflow of resources for the School District's actual contributions to the pension and OPEB plan during the fiscal year ended June 30, 2023 which will be recognized in fiscal year 2024; (2) a deferred outflow of resources for experience gains or losses related to the pension plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions related to the pension and OPEB plan which will be amortized over the remaining service period; (4) a deferred outflow of resources for the difference between the School District's actual contributions towards the pension and OPEB plan and the School District's proportionate share of contributions, which will be amortized over the remaining service period; and (5) deferred outflows of resources for the net difference between projected and actual earnings on pension and OPEB plan investments. Another item reported at the governmental activities level is the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has one type of deferred inflow under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The School District has three items that qualify for reporting in this category which occurs only in the governmental activities. Governmental Activities report (1) a deferred inflow of resources for the difference between the School District's actual contributions towards the pension and OPEB plan and the School District's proportionate share of contributions, which will be amortized over the remaining service period; and (2) a deferred inflow of resources for experience gains or losses from periodic studies by the actuary related to the pension and OPEB plan, which will be amortized over the remaining service period; and (3) a deferred inflow of resources for the changes in actuarial assumptions related to the OPEB plan which will be amortized over the remaining service period.

Compensated Absences

It is the School District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the School District does not have a policy to pay any amounts when employees separate from service with the School District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia School Employees Postemployment Benefit Fund (School OPEB Fund) and additions to/deductions from the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Public School Employees Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund existing general obligation bonds. Bond issuance costs are recognized in the financial statements during the fiscal year bonds are issued. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

In the fund financial statements, the face amount of debt issued and any related premiums, is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Deferred loss on refunding is reported as a deferred outflow of resources and is amortized over the shorter of the original amortization period remaining from the refunded bonds or the life of the refunding bonds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets, liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through the adoption of a resolution. Only the Board of Education may modify or rescind the commitment, also through a resolution.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the School District’s intent to be used for specific purposes but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent or his or her designee to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The School District reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economy resources measurement focus. Net investment capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the School District has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

Subscription Based IT Arrangements

The School District implemented GASB 96, *Subscription Based IT Arrangements*, during fiscal year 2023. The School District recognizes an intangible right-to-use lease asset in the government-wide financial statements. The School District recognizes intangible right-to-use lease assets with an initial, individual value of \$100,000 or more. Currently, the School District has no liability associated with the leased asset as the full contract amount was paid in full at the commencement of the arrangement.

At the commencement of the arrangement, the School District initially measures the right-to-use asset at the present value of payments expected to be paid during the term and is then adjusted for payments made at or before the term commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the right-to-use asset term. The School District uses the interest rate charged by the lessor as the discount rate and when no interest rate is provided the School District uses its estimated incremental borrowing rate.

The School District monitors changes in circumstances that would require a remeasurement of its right-to-use asset and will remeasure the right-to-use asset if certain changes occur that are expected to significantly affect the amount of the right-to-use assets. Right-to-use assets are reported with other capital assets.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The School District adopts an annual budget for its General Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167 and in accordance with U.S. generally accepted accounting principles. After the Board of Education has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board of Education after advertisement, the budget is revised as necessary and adopted as the final budget. The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2023.

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

	Amount
General Fund	
Educational media services	\$ 27,656
School administration	60,887
Business administration	75,431
Maintenance and operation of plant	182,395
Student transportation services	702,170
School nutrition services	749
Grants Fund	
Pupil services	422,674
Educational media services	104,194
General administration	406,913
School administration	64,045
Business administration	198
Maintenance and operation of plant	96,095
Other support services	2,207,125
Enterprise operations	644,658

Note 3: DEPOSITS AND INVESTMENTS

Deposits

State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, the financial institutions holding all of the School District's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2023, all of the School District's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Custodial credit risk - deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2023, the School District's cash accounts and investments were properly collateralized as required by State statutes.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 3: DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2023, all investments of the School District, totaling \$34,917,114, were invested in Georgia Fund 1, the local government investment pool administered by the State of Georgia. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the School District does not disclose investments in the Georgia Fund 1 within the fair value hierarchy.

Credit risk

Georgia Fund 1, created by OCGA 36-83-8, is a stable asset value investment pool which follows Standard and Poor's criteria for AAAf rated money market funds. Regulatory oversight of the fund is provided by the Georgia Office of the State Treasurer. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The District reports its investment in Georgia Fund 1 as a cash equivalent as of June 30, 2023. As of June 30, 2023 Georgia Fund 1 has a 28-day weighted average maturity.

Note 4: RECEIVABLES

Receivables at June 30, 2023, for the School District's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>District-Wide Capital Projects</u>	<u>Debt Service</u>	<u>Grants</u>	<u>Nonmajor Governmental</u>
Receivables:					
Intergovernmental	\$ 13,191,278	\$ 1,846,445	\$ -	\$ 2,107,096	\$ -
Taxes	1,410,368	-	86,655	-	-
Accounts	552	-	-	185	2,091
Total receivables	<u>14,602,198</u>	<u>1,846,445</u>	<u>86,655</u>	<u>2,107,281</u>	<u>2,091</u>
Less allowance for uncollectible	70,518	-	4,333	-	-
Net total receivable	<u><u>\$ 14,531,680</u></u>	<u><u>\$ 1,846,445</u></u>	<u><u>\$ 82,322</u></u>	<u><u>\$ 2,107,281</u></u>	<u><u>\$ 2,091</u></u>

Note 5: NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. Commodities usage is recorded at their federally assigned value of \$473,699 for the year ended June 30, 2023.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 6: CAPITAL ASSETS

The following is a summary of changes in the capital assets during the fiscal year:

	Balance June 30, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
Capital assets not being depreciated					
Land and improvements	\$ 16,547,869	\$ -	\$ -	\$ -	\$ 16,547,869
Construction in progress	20,662,602	15,149,882	-	(13,567,555)	22,244,929
Total capital assets not being depreciated	37,210,471	15,149,882	-	(13,567,555)	38,792,798
Capital assets being depreciated					
Buildings and improvements	274,945,251	-	-	13,567,555	288,512,806
Subscription-based technology arrangements	-	162,000	-	-	162,000
Equipment	19,351,431	1,818,174	(513,930)	-	20,655,675
Total capital assets being depreciated	294,296,682	1,980,174	(513,930)	13,567,555	309,330,481
Less accumulated depreciation and amortization for					
Buildings and improvements	50,955,487	3,674,517	-	-	54,630,004
Subscription-based technology arrangements	-	40,500	-	-	40,500
Equipment	14,396,782	890,935	(513,930)	-	14,773,787
Total accumulated depreciation	65,352,269	4,605,952	(513,930)	-	69,444,291
Total capital assets being depreciated, net	228,944,413	(2,625,778)	-	13,567,555	239,886,190
Total governmental activities capital assets, net	\$ 266,154,884	\$ 12,524,104	\$ -	\$ -	\$ 278,678,988

Current year depreciation and amortization expense by function is as follows:

Instruction	\$ 3,787,481
Support Services:	
Improvement of instructional services	90,414
Maintenance and operation of plant	5,171
Student transportation services	698,638
School food services	24,248
Food services operations	\$ 4,605,952

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 7: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

These balances resulted from the time lag between the dates that payments between funds are made. The composition of interfund balances as of June 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fuel Center Fund	\$ 121,255

Interfund transfers, the purpose of which is to supplement the operations of the funds, for the year ended June 30, 2023, consisted of the following:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Grants Fund	\$ 826,570

Note 8: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God. The School District has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions and job related illness or injuries to employees, and acts of God. The School District has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the School District's insurance coverage in any of the past three years.

The School District has established a limited risk management program for workers' compensation claims. A premium is charged when needed by the General Fund to each user program on the basis of the percentage of that program's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated, as well as an estimated incurred but unreported amount of claims. An excess coverage insurance policy covers individual claims in excess of \$300,000 loss per occurrence, up to the statutory limit.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 8: RISK MANAGEMENT (Continued)

Changes in the workers' compensation claims liability during the last two fiscal years is as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability	Due Within One Year
2022	\$ 1,232,254	\$ 69,877	\$ 692,009	\$ 610,122	\$ 610,122
2023	610,122	188,996	363,606	435,512	435,512

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the General Fund with expense/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Changes in the unemployment compensation claims liability during the prior fiscal year were as follows:

	Beginning of Year	Claims and Changes in Estimates	Claims Paid	End of Year
2022	\$ -	\$ 3,417	\$ 3,417	\$ -
2023	-	-	-	-

The School District has purchased a surety bond to provide additional insurance coverage for the Superintendent in the amount of \$100,000.

Note 9: LONG-TERM DEBT

The School District issued Series 2012 General Obligation Bonds during fiscal year 2012 as a partial refunding of the Series 2005A General Obligation Bonds. The original deferred charge on refunding was \$5,626,556 and the economic gain was \$3,402,593. General Obligation Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Obligation – Refunding - Series 2005A	2.00% - 5.25%	<u>\$ 17,205,000</u>

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 9: LONG-TERM DEBT (Continued)

At June 30, 2023, payments due by fiscal year which includes principal and interest, for these items are as follows:

Year Ending June 30	General Obligation Debt		
	Principal	Interest	Total
2024	\$ 5,450,000	\$ 747,763	\$ 6,197,763
2025	5,730,000	458,007	6,188,007
2026	<u>6,025,000</u>	<u>155,657</u>	<u>6,180,657</u>
Total Principal and Interest	<u>\$ 17,205,000</u>	<u>\$ 1,361,427</u>	<u>\$ 18,566,427</u>

The changes in long-term obligations during the fiscal year ended June 30, 2023, were as follows:

	Governmental Activities				
	Beginning Balance	Increases	Deductions	Ending Balance	Due within one year
General Obligation Bonds	\$ 22,415,000	\$ -	\$ (5,210,000)	\$ 17,205,000	\$ 5,450,000
Premium on bonds	<u>1,076,558</u>	<u>-</u>	<u>(460,737)</u>	<u>615,821</u>	<u>-</u>
Net bonds	23,491,558	-	(5,670,737)	17,820,821	5,450,000
Net pension liability	55,185,189	176,817,751	(22,823,618)	209,179,322	-
Net OPEB liability	81,258,065	11,521,111	(18,690,402)	74,088,774	-
Claims payable	610,122	188,996	(363,606)	435,512	435,512
Compensated absences	<u>910,976</u>	<u>611,813</u>	<u>(511,465)</u>	<u>1,011,324</u>	<u>940,532</u>
Total long-term liabilities	<u>\$ 161,455,910</u>	<u>\$ 189,139,671</u>	<u>\$ (48,059,828)</u>	<u>\$ 302,535,753</u>	<u>\$ 6,826,044</u>

Compensated absences, claims payable, the net pension liability, and the net OPEB liability are liquidated by the General Fund.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 10: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of \$365,505 for retirement contributions paid on the School District's behalf by the following State Agencies. In fiscal year 2023, the Georgia Department of Education paid the Teachers Retirement System (TRS) for Teachers Retirement in the amount of \$40,444 and the Office of Treasury and Fiscal Services paid to the Public School Employees Retirement System (PSERS) for the Public School Employees Retirement Employer's Cost in the amount of \$325,061.

Note 11: CONTINGENCIES

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

The School District participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies.

Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any amounts received may be required and the collectability of any related receivable at year-end may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The School District has entered into various construction contracts. At year end, the uncompleted and unpaid portion of these contracts totaled \$4,117,298.

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 12: RETIREMENT PLANS

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

Plan description: All teachers of the School District as defined in §47-3-60 of the *Official Code of Georgia Annotated* (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2023. The school district's contractually required contribution rate for the year ended June 30, 2023, was 19.98% of annual school district payroll. District contributions to TRS were \$17,745,311 for the year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the District by the State of Georgia for certain public school support personnel. The amount recognized by the District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the District were as follows:

Board's proportionate share of the net pension liability	\$ 209,179,322
State of Georgia's proportionate share of the net pension liability associated with the Board	438,371
Total	<u>\$ 209,617,693</u>

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12: RETIREMENT PLANS (Continued)

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS) (Continued)

The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022, was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2022. At June 30, 2022, the District's proportion was 0.644185%, which was an increase of 0.020224% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$31,518,088 and revenue of \$55,948 for support provided by the State of Georgia for certain support personnel. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 41,097,785	\$ -
Changes in proportion and differences between District contributions and proportionate share of contributions	3,046,365	48,615
Net difference between expected and actual experience	8,683,086	1,088,827
Changes in assumption	31,488,162	-
District contributions subsequent to the measurement date	17,745,311	-
Total	<u>\$ 102,060,709</u>	<u>\$ 1,137,442</u>

District contributions subsequent to the measurement date of \$17,745,311 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2024	\$ 22,559,416
2025	17,297,843
2026	12,915,440
2027	30,405,257
Total	<u><u>\$ 83,177,956</u></u>

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 12: RETIREMENT PLANS (Continued)

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS) (Continued)

Actuarial assumptions: The total pension liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00 – 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Postretirement benefit Increase	1.50% semi-annually

Postretirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Postretirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25% effective with the June 30, 2018 valuation, and then from 7.25% to 6.90% effective with the June 30, 2021 valuation. In addition, the assumed annual rate of inflation was changed from 2.75% to 2.50% effective with the June 30, 2018, valuation, and the payroll growth assumption was changed from 3.00% to 2.50% effective with the June 30, 2021, valuation.

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WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12: RETIREMENT PLANS (Continued)

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	0.20%
US Large Stocks	46.30	9.40
US Small Stocks	1.20	13.40
International developed market stocks	12.30	9.40
International emerging market equities	5.20	11.40
Alternatives	5.00	10.50
Total	<u>100.00%</u>	

* Rates shown are net of the 2.50% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 6.90%. This was a decrease from the 7.25% discount rate used in the prior year. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 12: RETIREMENT PLANS (Continued)

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS) (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate:

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current discount rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 315,582,321	\$ 209,179,322	\$ 122,287,197

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publicly available at www.trsga.com/publications.

Payables to the pension plan

As of June 30, 2023, the District is reporting \$1,342,576 in accrued benefits payable for the Teachers Retirement System Plan.

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

Plan description: PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

Benefits provided: A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 12: RETIREMENT PLANS (Continued)

**GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)
(Continued)**

Upon retirement, the member will receive a monthly benefit of \$15.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions: The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012, contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012, contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees.

Pension Liabilities and Pension Expense: At June 30, 2023, the District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the District	\$ <u>2,438,749</u>
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The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022, was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of \$612,856 and revenue of \$612,856 for support provided by the State of Georgia.

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 12: RETIREMENT PLANS (Continued)

**GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)
(Continued)**

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Postretirement benefit increase	1.50% semi annually

Mortality rates are as follows:

The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.

The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for postretirement mortality assumptions as follows:

<u>Participant Type</u>	<u>Membership Table</u>	<u>Set Forward (+)/ Setback (-)</u>	<u>Adjustment to Rates</u>
Service Retirees	General Healthy Below-Median Annuitant	Male: +2; Female: +2	Male: 101%; Female: 103%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Below-Median Contingent Survivors	Male: +2; Female: +2	Male: 104%; Female 99%

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12: RETIREMENT PLANS (Continued)

**GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)
(Continued)**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	0.20%
US Large Stocks	46.30	9.40
US Small Stocks	1.20	13.40
International developed market equities	12.30	9.40
International emerging market equities	5.20	11.40
Alternatives	5.00	10.50
Total	100.00%	

* Rates shown are net of the 2.50% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Note 13: POSTEMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT (OPEB) FUND

Plan Description: The District participates in the State of Georgia School Employees Postemployment Benefit Fund (the “School OPEB Fund”) which is another postemployment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and non-certified employees of the District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and administered by a Board of Community Health (DCH Board). Title 20 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board. The School OPEB Fund is included in the State of Georgia Annual Comprehensive Financial Report which is publicly available and can be obtained at <https://sao.georgia.gov/statewide-reporting/ACFR>.

Benefits: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees’ Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the District were \$2,907,314 for the year ended June 30, 2023. Active employees are not required to contribute to the School OPEB Fund.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the District reported a liability of \$74,088,774 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2022. At June 30, 2022, the District's proportion was 0.748131%, which was a decrease of 0.002117% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of (\$3,433,835). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 451,921	\$ -
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,369,570	960,742
Changes in plan assumptions	11,283,872	14,984,557
Differences between expected and actual experience	2,957,298	29,119,132
District contributions subsequent to the measurement date	2,907,314	-
Total	<u>\$ 18,969,975</u>	<u>\$ 45,064,431</u>

District contributions subsequent to the measurement date of \$2,907,314 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	(8,066,112)
2025	(6,355,058)
2026	(5,075,059)
2027	(6,121,523)
2028	(3,043,956)
2029	(340,062)
Total	<u>\$ (29,001,770)</u>

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial assumptions: The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Inflation	2.50%
Salary Increases	TRS – 3.00-8.75%, including inflation PSERS – N/A
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Municipal bond index rate	3.57%
Healthcare cost trend rate:	
Pre-Medicare eligible	6.50%
Medicare eligible	5.00%
Ultimate trend rate	
Pre-Medicare eligible	4.50%
Medicare eligible	4.50%
Year of ultimate trend rate	
Pre-Medicare eligible	2029
Medicare eligible	2023

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

- For TRS Members: Postretirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Postretirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

- For PSERS Members: Preretirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Projection scale applied generationally.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the pension systems, which covered the period ending July 1, 2013 – June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Board and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed Income	30.00%	2.00%
Equities	70.00%	9.40%
Total	<u>100.00%</u>	

Discount rate: The discount rate was 3.57%, an increase from the prior year's rate of 2.20%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.57% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.57% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate:

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.57%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.57%) or 1-percentage-point higher (4.57%) than the current rate:

	1% Decrease (2.57%)	Current discount rate (3.57%)	1% Increase (4.57%)
District's proportionate share of the net OPEB liability	\$ 83,803,299	\$ 74,088,774	\$ 65,855,287

**WALTON COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate: The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	<u>1% Decrease</u>	<u>Current discount rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 63,836,336	\$ 74,088,774	\$ 86,688,978

NOTE 14: TAX ABATEMENTS

During the fiscal year ended June 30, 2023, the District's tax revenues were reduced by \$3,293,944 as a result of agreements entered into by the Walton County Development Authority. Under these agreements, taxes on both real and personal property are reduced based on incentives and economic development programs offered by the Development Authority.

REQUIRED SUPPLEMENTARY INFORMATION

WALTON COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

TEACHERS RETIREMENT SYSTEM OF GEORGIA

FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.644185%	0.623961%	0.622397%	0.623114%	0.622811%
District's proportionate share of the net pension liability	\$ 209,179,322	\$ 55,185,189	\$ 150,768,914	\$ 133,986,359	\$ 115,607,062
State of Georgia's proportionate share of the net pension liability associated with the District	438,371	158,314	398,483	365,761	311,287
Total	<u>\$ 209,617,693</u>	<u>\$ 55,343,503</u>	<u>\$ 151,167,397</u>	<u>\$ 134,352,120</u>	<u>\$ 115,918,349</u>
District's covered payroll	\$ 86,949,909	\$ 81,476,301	\$ 80,174,319	\$ 75,996,665	\$ 77,126,080
District's proportionate share of the net pension liability as a percentage of its covered payroll	240.57%	67.73%	188.05%	176.31%	149.89%
Plan fiduciary net position as a percentage of the total pension liability	72.85%	92.03%	77.01%	78.56%	80.27%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.619127%	0.614507%	0.615728%	0.617561%	0.634289%
District's proportionate share of the net pension liability	\$ 115,066,660	\$ 126,779,646	\$ 93,738,474	\$ 78,020,687	\$ 110,524,097
State of Georgia's proportionate share of the net pension liability associated with the District	837,268	1,512,880	1,070,400	817,778	1,231,591
Total	<u>\$ 115,903,928</u>	<u>\$ 128,292,526</u>	<u>\$ 94,808,874</u>	<u>\$ 78,838,465</u>	<u>\$ 111,755,688</u>
District's covered payroll	\$ 73,144,534	\$ 67,689,783	\$ 64,994,525	\$ 63,003,518	\$ 64,492,091
District's proportionate share of the net pension liability as a percentage of its covered payroll	157.31%	187.30%	144.23%	123.84%	171.38%
Plan fiduciary net position as a percentage of the total pension liability	79.33%	76.06%	81.44%	84.03%	Not available

WALTON COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS

TEACHERS RETIREMENT SYSTEM OF GEORGIA

FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 17,745,311	\$ 17,224,777	\$ 15,529,383	\$ 16,948,851	\$ 15,883,303
Contributions in relation to the contractually required contributions	<u>17,745,311</u>	<u>17,224,777</u>	<u>15,529,383</u>	<u>16,948,851</u>	<u>15,883,303</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 88,815,370	\$ 86,949,909	\$ 81,476,301	\$ 80,174,319	\$ 75,996,665
Contributions as a percentage of covered payroll	19.98%	19.81%	19.06%	21.14%	20.90%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 12,964,894	\$ 10,437,725	\$ 9,659,332	\$ 8,686,388	\$ 7,801,302
Contributions in relation to the contractually required contributions	<u>12,964,894</u>	<u>10,437,725</u>	<u>9,659,332</u>	<u>8,546,780</u>	<u>7,736,832</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,608</u>	<u>\$ 64,470</u>
District's covered payroll	\$ 77,126,080	\$ 73,144,534	\$ 67,689,783	\$ 64,994,525	\$ 63,003,518
Contributions as a percentage of covered payroll	16.810%	14.270%	14.270%	13.150%	12.280%

WALTON COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC SCHOOLS EMPLOYERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.000%	0.000%	0.000%	0.000%	0.000%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the District	2,438,749	241,746	1,783,253	1,636,795	1,555,269
Total	<u>\$ 2,438,749</u>	<u>\$ 241,746</u>	<u>\$ 1,783,253</u>	<u>\$ 1,636,795</u>	<u>\$ 1,555,269</u>
District's covered-employee payroll	\$ 24,749	\$ 23,812	\$ 22,580	\$ 23,812	\$ 22,678
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	81.21%	98.00%	84.45%	85.02%	85.26%
	2018	2017	2016	2015	
District's proportion of the net pension liability	0.000%	0.000%	0.000%	0.000%	
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	
State of Georgia's proportionate share of the net pension liability associated with the District	1,372,321	1,768,056	1,126,990	1,003,435	
Total	<u>\$ 1,372,321</u>	<u>\$ 1,768,056</u>	<u>\$ 1,126,990</u>	<u>\$ 1,003,435</u>	
District's covered-employee payroll	\$ 21,661	\$ 20,522	\$ 19,578	\$ 16,034	
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	
Plan fiduciary net position as a percentage of the total pension liability	85.69%	81.00%	87.00%	88.29%	

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

WALTON COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY OTHER POSTEMPLOYMENT BENEFITS FOR THE FISCAL YEAR ENDED JUNE 30

	2023	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.748131%	0.750248%	0.748200%	0.756858%	0.741828%
District's proportionate share of the net OPEB liability	\$ 74,088,774	\$ 81,258,065	\$ 109,893,155	\$ 92,882,715	\$ 94,284,062
Total	\$ 74,088,774	\$ 81,258,065	\$ 109,893,155	\$ 92,882,715	\$ 94,284,062
District's covered-employee payroll	\$ 73,330,191	\$ 74,262,485	\$ 73,330,191	\$ 71,809,954	\$ 68,415,198
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	101.03%	109.42%	149.86%	129.35%	137.81%
Plan fiduciary net position as a percentage of the total OPEB liability	6.17%	6.14%	3.99%	4.63%	2.93%
	2018				
District's proportion of the net OPEB liability	0.733693%				
District's proportionate share of the net OPEB liability	\$ 103,083,572				
Total	\$ 103,083,572				
District's covered-employee payroll	\$ 81,733,238				
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	126.12%				
Plan fiduciary net position as a percentage of the total OPEB liability	1.61%				

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

WALTON COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS

OTHER POSTEMPLOYMENT BENEFITS

FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 2,907,314	\$ 2,706,015	\$ 2,790,796	\$ 2,530,237	\$ 4,076,202
Contributions in relation to the contractually required contributions	<u>2,907,314</u>	<u>2,706,015</u>	<u>2,790,796</u>	<u>2,530,237</u>	<u>4,076,202</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's covered-employee payroll	\$ 83,148,388	\$ 73,330,191	\$ 74,262,485	\$ 73,330,191	\$ 71,809,954
Contributions as a percentage of covered-employee payroll	3.497%	3.690%	3.758%	3.450%	5.676%
	<u>2018</u>				
Contractually required contributions	\$ 3,844,826				
Contributions in relation to the contractually required contributions	<u>3,844,826</u>				
Contribution deficiency (excess)	<u><u>\$ -</u></u>				
District's covered-employee payroll	\$ 68,415,198				
Contributions as a percentage of covered-employee payroll	5.620%				

WALTON COUNTY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Teachers Retirement System of Georgia:

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.5% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

Effective with the June 30, 2021 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

Public Schools Employees Retirement System of Georgia:

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on December 17, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumption utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

School OPEB Fund:

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

The inflation assumption was lowered from 2.75% to 2.50% effective with the June 30, 2018 actuarial valuation.

In the June 30, 2019 actuarial valuation, decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.

WALTON COUNTY SCHOOL DISTRICT

SCHOOL NUTRITION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
State sources	\$ 180,000	\$ 180,000	\$ 289,635	\$ 109,635
Federal sources	3,851,598	3,851,598	5,873,267	2,021,669
Local sources and other funds	3,281,041	3,281,041	2,754,113	(526,928)
Total revenues	7,312,639	7,312,639	8,917,015	1,604,376
EXPENDITURES				
Food services operation	8,278,607	8,278,607	7,592,992	685,615
Total expenditures	8,278,607	8,278,607	7,592,992	685,615
Excess (deficiency) of revenues over expenditures	(965,968)	(965,968)	1,324,023	2,289,991
OTHER FINANCING SOURCES (USES)				
Transfers in	471,000	471,000	-	(471,000)
Transfers out	(471,000)	(471,000)	-	471,000
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(965,968)	(965,968)	1,324,023	2,289,991
FUND BALANCE, beginning of year	5,155,190	5,155,190	5,155,190	-
FUND BALANCE, end of year	\$ 4,189,222	\$ 4,189,222	\$ 6,479,213	\$ 2,289,991

OTHER SUPPLEMENTARY INFORMATION

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Project	Original Estimated Cost(1)	Current Estimated Cost(2)	Prior Years(3)	Current Year(3)	Total	Project Status
2018 SPLOST						
To pay the costs of retiring outstanding general obligation debt of the Walton School District previously incurred and issued with respect to capital outlay projects in the maximum principal and interest amount of \$4,700,000 comprised of portions of the Walton County Board of Education's Series 2012 general obligation refunding bonds coming due in the years 2018 through 2023; capital outlay projects (the "Walton County Projects") in the Walnut Grove, Monroe, and Loganville clusters at an estimated cost of \$55,084,000 consisting of adding to, renovating, repairing, improving, furnishing, and equipping existing school buildings and other buildings and facilities; the potential acquisition of land for future school sites; the potential construction of new school buildings and related facilities; the potential acquisition of land and/or construction of new facilities for fuel storage and dispensation; the acquisition of ownership interest in the Rutland psychoeducational center; the acquisition of school buses and/or other vehicles; making information technology improvements, including, but not limited to, one-to-one upgrades, projection, computer upgrades, instructional software, and infrastructure at all schools and selected other facilities; and replacing, purchasing, upgrading, or supplementing capital outlay equipment including, but not limited to, desks, chairs, copiers, tables, school buses, security, and safety equipment, signage, band instruments, playgrounds, and laboratory equipment; and paying expenses incident thereto.						
	\$ 48,000,000	\$ 70,319,009	\$ 50,514,690	\$ 16,247,955	\$ 66,762,645	Ongoing
2023 SPLOST						
To pay the costs for capital outlay projects in the Walnut Grove, Monroe, and Loganville clusters consisting of adding to, renovating, repairing, improving, furnishing, and equipping existing school buildings and related facilities; capital expenditures associated with the Rutland psychoeducation center; the acquisition of school buses and/or other vehicles; making information technology improvements, including, but not limited to, one-to-one upgrades, projection, computer upgrades, instructional software and associated capital costs, and infrastructure at all schools and selected other facilities; and replacing, purchasing, upgrading or supplementing capital outlay equipment including, but not limited to, desks, chairs, copies, tables, school buses, security and safety equipment, signage, bank instruments, playgrounds, and laboratory equipment; and paying expenses incident thereto, paying capitalized interest on the Walton County School District Bonds, and paying the costs of issuing the Walton County School District Bonds.						
	\$ 75,000,000	\$ 75,000,000	\$ -	\$ 3,804,870	\$ 3,804,870	Ongoing
Total SPLOST Expenditures				\$ 20,052,825		

- (1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.
- (3) The voters of Walton County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

STATISTICAL SECTION (UNAUDITED)

The statistical section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial position.

Contents:

Financial Trends	These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.
Revenue Capacity	These schedules contain information to help the reader assess the School District's major revenue sources.
Debt Capacity	These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand how the information in the environment within which the School District's financial activities take place.
Operating Information	These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

WALTON COUNTY SCHOOL DISTRICT

NET POSITION BY ACTIVITY

Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017 - Restated	2018
Governmental activities					
Net investment in capital assets	\$ 150,953,694	\$ 172,542,358	\$ 194,622,662	\$ 195,233,699	\$ 200,699,711
Restricted	32,509,686	17,591,655	7,474,759	12,287,422	12,529,426
Unrestricted (deficit)	15,833,305	(81,410,272)	(77,637,405)	(183,603,575)	(182,402,397)
Total governmental activities net position	\$ 199,296,685	\$ 108,723,741	\$ 124,460,016	\$ 23,917,546	\$ 30,826,740
Business-type activities					
Net investment in capital assets	\$ -	\$ 243,400,327	\$ -	\$ -	\$ -
Unrestricted (deficit)	(3,532)	(17,064)	(16,017)	13,214	81,061
Total business-type activities net position	\$ (3,532)	\$ 243,383,263	\$ (16,017)	\$ 13,214	\$ 81,061
Primary Government:					
Net investment in capital assets	\$ 150,953,694	\$ 172,542,358	\$ 194,622,662	\$ 195,233,699	\$ 200,699,711
Restricted	32,509,686	17,591,655	7,474,759	12,287,422	12,529,426
Unrestricted (deficit)	15,829,773	(81,427,336)	(77,653,422)	(183,590,361)	(182,321,336)
Total primary government net position	\$ 199,293,153	\$ 108,706,677	\$ 124,443,999	\$ 23,930,760	\$ 30,907,801

Data Source: School District's Audited Financial Statements for Each Fiscal Year

	2019		2020		2021		2022		2023
\$	207,964,193	\$	219,317,110	\$	232,466,643	\$	240,971,285	\$	259,761,349
	12,795,561		15,902,771		18,788,006		33,375,511		34,304,875
	(176,741,211)		(182,373,254)		(176,656,741)		(146,660,000)		(140,771,696)
\$	44,018,543	\$	52,846,627	\$	74,597,908	\$	127,686,796	\$	153,294,528
\$	-	\$	-	\$	-	\$	-	\$	-
	173,194		255,381		294,863		219,439		274,141
\$	173,194	\$	255,381	\$	294,863	\$	219,439	\$	274,141
\$	207,964,193	\$	219,317,110	\$	232,466,643	\$	240,971,285	\$	259,761,349
	12,795,561		15,902,771		18,788,006		33,375,511		34,304,875
	(176,568,017)		(182,117,873)		(176,361,878)		(146,440,561)		(140,497,555)
\$	44,191,737	\$	53,102,008	\$	74,892,771	\$	127,906,235	\$	153,568,669

WALTON COUNTY SCHOOL DISTRICT

CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting)

	2014	2015	2016	2017	2018
Expenses					
Primary government:					
Governmental activities:					
Instruction	\$ 77,897,335	\$ 79,535,796	\$ 80,234,290	\$ 90,174,631	\$ 95,393,210
Pupil services	3,531,195	3,253,524	3,462,607	4,517,733	5,170,442
Improvement of instructional services	2,126,889	2,163,700	2,912,574	3,278,971	3,304,355
Educational media services	1,446,235	1,579,663	1,606,207	1,811,909	1,902,052
General administration	1,860,993	1,913,572	1,956,671	2,109,494	2,114,817
School administration	6,871,569	7,671,305	8,018,817	8,545,211	8,924,066
Business administration	1,001,391	691,065	794,895	1,435,254	1,353,890
Maintenance and operation of plant	9,738,928	8,500,009	10,934,230	12,987,303	13,405,883
Student transportation services	6,565,134	6,475,708	8,125,679	8,408,674	8,549,279
Central support services	885,515	1,123,261	1,206,428	1,056,384	1,410,643
Other support services	1,078,488	895,391	836,274	1,528,889	960,831
Miscellaneous non-instructional services	525,346	449,416	570,854	448,369	542,521
Enterprise operations	-	-	-	-	-
Food services operation	5,965,107	5,745,403	6,138,085	6,655,748	6,869,569
Interest on long-term debt	2,160,425	1,972,307	1,768,993	1,644,822	1,546,501
Total governmental activities expenses	121,654,550	121,970,120	128,566,604	144,603,392	151,448,059
Business-type activities:					
Fuel center services	1,601,301	1,336,207	997,236	1,057,071	1,307,265
Total primary government expenses	\$ 123,255,851	\$ 123,306,327	\$ 129,563,840	\$ 145,660,463	\$ 152,755,324
Program revenues					
Primary government:					
Governmental activities:					
Charges for services	\$ 1,754,309	\$ 1,629,954	\$ 1,856,073	\$ 1,974,693	\$ 2,127,955
Operating grants and contributions	78,835,132	76,180,553	82,041,809	85,030,527	87,779,928
Capital grants and contributions	4,312,398	231,660	1,788,368	588,533	2,586,095
Total governmental activities program revenues	71,174,451	84,901,839	78,042,167	87,593,753	92,493,978
Business-type activities:					
Charges for services	1,621,301	1,357,510	998,283	1,086,302	1,290,112
Total primary government program revenues	\$ 72,795,752	\$ 86,259,349	\$ 79,040,450	\$ 88,680,055	\$ 93,784,090
Net (expense)revenue:					
Governmental activities	\$ (50,480,099)	\$ (37,068,281)	\$ (50,524,437)	\$ (57,009,639)	\$ (58,954,081)
Business-type activities	20,000	21,303	1,047	29,231	(17,153)
Total primary government net expense	(50,460,099)	(37,046,978)	(50,523,390)	(56,980,408)	(58,971,234)
General revenues and other changes in net position					
Primary government:					
Governmental activities:					
Property taxes, levied for general purposes	37,650,133	37,575,192	39,252,269	41,426,932	44,609,933
Property taxes, levied for debt service	6,696,765	6,346,686	6,543,974	6,648,205	6,628,446
Sales taxes	8,392,089	8,772,177	8,684,767	9,029,118	9,546,127
Other taxes	878,935	883,494	959,265	1,237,787	1,226,218
Unrestricted investment earnings	23,455	31,513	67,130	97,424	272,414
Grants and contributions not restricted to specific programs	484,557	435,480	663,552	618,309	470,285
Other	2,365,923	2,062,897	2,445,671	2,610,035	3,194,852
Transfers to business-type activities	-	-	-	-	(85,000)
Transfers from government activities	-	-	-	-	85,000
Total governmental activities general revenues and other changes in net position	56,491,857	56,107,439	58,616,628	61,667,810	65,948,275
Change in net position					
Governmental activities	19,739,146	12,179,486	15,736,274	4,658,171	6,994,194
Business-type activities	20,000	21,303	1,047	29,231	(17,153)
Total primary government	\$ 19,759,146	\$ 12,200,789	\$ 15,737,321	\$ 4,687,402	\$ 6,977,041
Net position, beginning of the year	179,534,007	199,293,153	108,706,678	124,443,999	129,131,401
Restatements to opening net position	-	(102,787,264)	-	-	(105,200,641)
Net position, end of the year	\$ 199,293,153	\$ 108,706,678	\$ 124,443,999	\$ 129,131,401	\$ 30,907,801

Data Source: School District's Audited Financial Statements for Each Fiscal Year

(1) - Increase in operating grants is due to COVID-19 funding.

	2019	2020	2021	2022	2023
\$	94,461,601	\$ 108,516,504	\$ 107,017,899	\$ 101,492,519	\$ 126,366,304
	5,457,565	6,642,418	9,221,426	1,831,696	10,934,026
	3,282,235	5,052,000	5,081,043	4,503,545	5,740,655
	1,926,674	2,076,135	2,811,406	1,682,446	1,927,266
	2,159,353	2,086,730	1,956,747	2,501,755	2,427,714
	9,299,764	9,622,321	9,663,489	9,575,760	10,065,409
	1,016,711	1,448,352	2,311,296	49,249	(1,026,913)
	12,286,581	11,766,247	11,823,071	12,344,926	13,264,336
	9,322,112	8,386,854	8,945,028	11,557,228	11,450,036
	1,165,560	1,204,368	1,191,206	1,303,025	1,378,968
	957,680	903,155	1,263,587	1,831,603	2,459,142
	597,510	552,159	467,873	568,855	645,040
	-	-	-	-	-
	7,123,782	6,333,079	6,667,996	7,122,296	7,449,151
	1,420,327	1,288,360	1,157,267	1,020,705	879,454
	150,477,455	165,878,682	169,579,334	157,385,608	193,960,588
	1,521,780	1,163,056	1,180,668	2,115,741	2,253,822
\$	151,999,235	\$ 167,041,738	\$ 170,760,002	\$ 159,501,349	\$ 196,214,410
\$	2,536,071	\$ 2,156,958	\$ 1,070,111	\$ 1,110,850	\$ 3,549,430
	90,037,930	94,468,856	102,899,460	114,740,587	109,327,939
	222,660	3,853,345	2,529,859	1,862,935	1,066,320
	92,796,661	100,479,159	106,499,430	117,714,372	113,943,689
	1,563,913	1,245,243	1,220,150	2,040,317	2,308,524
\$	94,360,574	\$ 101,724,402	\$ 107,719,580	\$ 119,754,689	\$ 116,252,213
\$	(57,680,794)	\$ (65,399,523)	\$ (63,079,904)	\$ (39,671,236)	\$ (80,016,899)
	42,133	82,187	39,482	(75,424)	54,702
	(57,638,661)	(65,317,336)	(63,040,422)	(39,746,660)	(79,962,197)
	47,707,398	51,263,019	56,783,542	60,794,580	70,463,470
	6,286,095	5,930,872	6,332,315	6,766,193	7,695,293
	11,566,697	12,450,574	15,508,194	17,256,639	18,696,228
	1,175,833	1,601,942	2,270,674	2,721,778	1,657,942
	466,852	283,439	18,534	148,838	1,816,360
	511,799	269,039	424,355	908,649	999,432
	3,207,923	2,428,722	2,673,318	4,163,447	4,295,906
	(50,000)	-	-	-	-
	50,000	-	-	-	-
	70,922,597	74,227,607	84,010,932	92,760,124	105,624,631
	13,241,803	8,828,084	20,931,028	53,088,888	25,607,732
	42,133	82,187	39,482	(75,424)	54,702
\$	13,283,936	\$ 8,910,271	\$ 20,970,510	\$ 53,013,464	\$ 25,662,434
	30,907,801	44,191,737	53,102,008	74,892,771	127,906,235
	-	-	820,253	-	-
\$	44,191,737	\$ 53,102,008	\$ 74,892,771	\$ 127,906,235	\$ 153,568,669

WALTON COUNTY SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 25,000	\$ 28,603	\$ 3,121,342	\$ 37,222	\$ 32,128	\$ 41,775	\$ 75,745	\$ 27,295	\$ 37,229	\$ 48,957
Assigned	354,193	268,632	-	97,668	98,531	759,824	3,138,402	-	-	-
Unassigned	14,828,834	16,217,184	14,074,598	19,452,613	22,579,213	23,517,523	22,460,141	42,412,412	54,109,598	66,827,921
Total General Fund	<u>\$ 15,208,027</u>	<u>\$ 16,514,419</u>	<u>\$ 17,195,940</u>	<u>\$ 19,587,503</u>	<u>\$ 22,709,872</u>	<u>\$ 24,319,122</u>	<u>\$ 25,674,288</u>	<u>\$ 42,439,707</u>	<u>\$ 54,146,827</u>	<u>\$ 66,876,878</u>
All Other Governmental Funds										
Nonspendable	\$ 174,216	\$ 194,702	\$ 93,376	\$ 141,001	\$ 142,859	\$ 147,027	\$ 267,335	\$ 175,090	\$ 180,142	\$ 210,358
Restricted	24,705,570	17,450,984	7,381,710	12,224,984	12,490,803	12,745,472	14,105,748	17,843,522	30,154,246	32,060,919
Assigned	649,760	616,583	616,852	642,332	704,005	879,587	906,509	1,887,694	2,126,115	2,459,889
Unassigned	-	-	-	-	(25,556)	(169,357)	-	-	-	-
Total all other governmental funds	<u>\$ 25,529,546</u>	<u>\$ 18,262,269</u>	<u>\$ 8,091,938</u>	<u>\$ 13,008,317</u>	<u>\$ 13,312,111</u>	<u>\$ 13,602,729</u>	<u>\$ 15,279,592</u>	<u>\$ 19,906,306</u>	<u>\$ 32,460,503</u>	<u>\$ 34,731,166</u>

WALTON COUNTY SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021 (1)	2022 (1)	2023 (2)
REVENUES										
State sources	\$ 63,589,140	\$ 72,643,071	\$ 72,276,533	\$ 73,173,235	\$ 77,872,856	\$ 77,211,555	\$ 85,133,852	\$ 77,730,482	\$ 85,969,639	\$ 88,857,807
Federal sources	12,382,717	11,584,573	11,838,414	12,396,563	12,619,422	13,327,850	12,119,191	28,962,095	31,445,115	21,387,313
Local and other sources	57,888,681	57,829,603	60,414,935	63,103,184	68,192,976	72,839,194	76,218,749	84,638,756	93,310,617	108,681,216
Decrease in fair market value of investments	-	-	-	-	-	-	-	-	(44,379)	-
Total revenues	133,860,538	142,057,247	144,529,882	148,672,982	158,685,254	163,378,599	173,471,792	191,331,333	210,680,992	218,926,336
EXPENDITURES										
Current:										
Instruction	73,716,378	77,169,391	80,099,457	84,262,388	90,486,688	93,554,961	100,263,132	97,094,743	107,190,017	114,035,293
Support services:										
Pupil services	3,529,008	3,380,064	3,610,570	4,419,389	5,113,231	5,599,556	4,832,488	5,672,173	7,223,443	7,909,952
Improvement of instructional services	2,124,892	2,222,716	2,982,724	3,207,436	3,303,261	3,399,901	4,881,546	4,721,728	5,030,407	5,608,176
Educational media services	1,446,235	1,522,409	1,666,383	1,772,472	1,878,526	1,983,728	1,993,863	2,528,219	2,113,131	2,250,439
General administration	1,860,993	1,929,534	1,977,888	2,095,499	2,117,363	2,178,334	2,065,166	1,920,999	2,556,043	2,376,749
School administration	6,871,569	7,703,429	8,054,474	8,525,772	8,917,157	9,330,513	9,604,874	9,572,287	9,714,517	10,229,978
Business administration	1,001,391	1,049,730	1,149,431	1,230,959	1,263,795	1,330,907	1,367,501	1,397,378	1,440,455	1,483,210
Maintenance and operation of plant	8,164,451	8,501,272	9,031,618	9,478,266	10,116,381	10,491,889	11,275,040	10,953,194	12,043,479	13,084,553
Student transportation services	6,269,656	6,161,648	6,566,382	7,112,440	7,793,195	8,188,713	7,753,122	8,031,952	11,264,711	11,248,375
Central support services	885,515	1,140,261	1,225,239	1,045,992	1,208,398	1,179,056	1,192,687	1,173,955	1,329,223	1,354,374
Other support services	1,078,488	955,580	886,751	1,505,253	954,170	991,949	846,561	1,159,325	1,989,938	2,310,499
Enterprise operations	523,518	451,482	574,379	446,979	541,826	597,510	552,159	467,605	569,262	644,658
Food services operation	5,946,689	5,726,081	6,127,693	6,585,551	6,834,709	7,118,564	6,253,402	6,451,150	7,386,889	7,656,078
Capital outlay	13,875,736	23,471,610	23,564,994	5,775,283	8,249,132	9,133,974	11,299,599	13,274,178	10,316,019	17,498,630
Debt service:										
Principal retirement	3,767,953	3,920,823	4,088,453	4,103,030	4,219,880	4,373,000	4,509,695	4,821,900	4,975,000	5,210,000
Interest and fees	2,872,010	2,712,102	2,512,226	2,331,118	2,176,379	1,976,176	1,748,928	1,518,667	1,277,141	1,024,658
Total expenditures	133,934,482	148,018,132	154,118,662	143,897,827	155,174,091	161,428,731	170,439,763	170,759,453	186,419,675	203,925,622
Excess (deficiency) of revenues over (under) expenditures	(73,944)	(5,960,885)	(9,588,780)	4,775,155	3,511,163	1,949,868	3,032,029	20,571,880	24,261,317	15,000,714
OTHER FINANCING SOURCES (USES)										
Transfers in	150,916	22,247	4,179,264	2,399,468	292,131	517,980	1,284,777	1,089,078	691,800	826,570
Transfers out	(150,916)	(22,247)	(4,179,264)	(2,399,468)	(377,131)	(567,980)	(1,284,777)	(1,089,078)	(691,800)	(826,570)
Proceeds from sale of capital assets	4,500	-	99,970	2,532,787	-	-	-	-	-	-
Total other financing sources (uses)	4,500	-	99,970	2,532,787	(85,000)	(50,000)	-	-	-	-
Net change in fund balance	\$ (69,444)	\$ (5,960,885)	\$ (9,488,810)	\$ 7,307,942	\$ 3,426,163	\$ 1,899,868	\$ 3,032,029	\$ 20,571,880	\$ 24,261,317	\$ 15,000,714
Debt service as a percentage of noncapital expenditures	5.47%	5.47%	4.95%	4.55%	4.26%	4.12%	3.93%	4.02%	3.56%	3.35%

Data Source: Audited Financial Statements

(1) Increase in federal revenues is due to COVID-19 funding.

(2) Increase in local revenues due to property taxes and assessed values.

WALTON COUNTY SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Tax Year	Real Property				Personal Property			Less Exemptions:		Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Motor Vehicles	Mobile Homes	Other (2)	Real Property	Personal Property			
2023	2022	\$ 3,689,464	\$ 166,695	\$ 838,173	\$ 116,237	\$ 47,946	\$ 8,230	\$ 590	\$ 1,418,804	\$ 25,556	19.870	3,422,975	40.00%
2022	2021	2,891,377	133,693	582,106	107,839	53,783	8,463	1,009	910,143	25,530	20.830	2,842,597	40.00%
2021	2020	2,517,723	116,857	570,476	97,595	51,900	8,384	710	805,891	24,382	21.400	2,533,372	40.00%
2020	2019	2,310,513	110,110	544,812	95,651	57,873	8,080	938	717,264	24,248	20.900	2,386,465	40.00%
2019	2018	2,121,096	104,120	520,609	93,958	70,190	8,118	877	641,627	24,388	21.200	2,252,953	40.00%
2018	2017	1,969,888	215,653	491,101	94,280	90,447	8,280	1,024	378,765	236,697	21.200	2,255,211	40.00%
2017	2016	1,701,138	182,372	476,556	80,500	105,781	8,416	1,274	487,768	24,284	21.600	2,043,985	40.00%
2016	2015	1,538,761	169,906	460,795	82,051	141,045	8,638	900	426,043	24,522	22.600	1,951,531	40.00%
2015	2014	1,388,078	151,440	468,579	8,663	182,469	8,420	796	373,727	25,036	23.002	1,809,682	40.00%
2014	2013	1,323,189	152,813	414,184	81,456	217,857	10,049	809	349,656	25,540	23.502	1,825,161	40.00%

Source: Tax Assessor

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

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

WALTON COUNTY SCHOOL DISTRICT

PROPERTY TAX RATES (DIRECT AND OVERLAPPING GOVERNMENTS)

Last Ten Fiscal Years

(Mills - rate per \$1,000 of taxable assessed value)

Fiscal Year	County	School District			State	Total Direct & Overlapping Rates
	Operating Millage	Operating Millage	Debt Service Millage	Total School Millage		
2023	10.677	17.737	2.134	19.871	0.000	30.548
2022	10.677	18.590	2.240	20.830	0.000	31.507
2021	10.677	19.100	2.300	21.400	0.000	32.077
2020	10.905	18.600	2.300	21.200	0.000	32.105
2019	10.905	18.600	2.600	21.200	0.000	32.105
2018	10.905	18.600	2.600	21.200	0.000	32.105
2017	10.905	18.700	2.900	21.600	0.050	32.555
2016	11.855	19.250	3.350	22.600	0.100	34.555
2015	12.280	19.502	3.500	23.002	0.150	35.432
2014	12.410	19.802	3.700	23.502	0.200	36.112

Source: Tax Commissioner

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

Not all potential overlapping rates apply to all County property owners (e.g., the rates for special districts apply only proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

WALTON COUNTY SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

June 30, 2023

(amounts expressed in thousands)

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Hitachi Automotive Systems	\$60,164	1	1.69%	\$25,152	9	1.38%
WalMart Stores East LP	46,183	2	1.30%			
Baxalta, Inc (D/B/A)	43,468	3	1.22%			
Walton EMC	35,878	4	1.01%	\$74,022	1	4.06%
Transcontinental Pipeline	24,103	5	0.68%	33,248	5	1.82%
Reliant Homes GA LLC	20,801	6	0.58%			
Georgia Power Company	18,631	7	0.52%	26,277	7	1.44%
Walton County Power LLC	14,260	8	0.40%	52,423	2	2.87%
Oglethorpe Power Company	13,388	9	0.38%			
AMH Development LLC	12,550	10	0.35%			
Pike Electric Inc				16,589	10	0.91%
MPC Generating LLC				39,206	3	2.15%
Georgia Transmission				25,892	8	1.42%
Monroe HMA Inc				32,542	6	1.78%
Doyle I, LLC				37,710	4	2.07%
Totals	<u>\$ 289,426</u>		<u>8.12%</u>	<u>\$ 363,061</u>		<u>19.90%</u>

Source: Walton County Tax Commissioner

WALTON COUNTY SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Total Levy		Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Tax Collections	% of Total Levy Collected	Outstanding Delinquent Taxes
			Amount	Percentage of Original Levy				
2023	\$	63,243	\$ 62,987	99.60%	\$ -	62,987	99.6%	\$ 256
2022		53,705	53,657	99.91%	32	53,689	100.0%	16
2021		50,165	50,039	99.75%	126	50,165	100.0%	-
2020		47,010	44,602	94.88%	272	44,874	95.5%	2,136
2019		44,366	43,145	97.25%	406	43,551	98.2%	815
2018		42,018	41,106	97.83%	298	41,404	98.5%	614
2017		38,631	36,391	94.20%	297	36,688	95.0%	1,943
2016		38,840	35,788	92.14%	334	36,122	93.0%	2,718
2015		36,718	35,467	96.59%	412	35,879	97.7%	839
2014		36,142	35,370	97.86%	772	36,142	100.0%	-

Source: Walton County Tax Commissioner

WALTON COUNTY SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amounts)

Fiscal Year	<u>Governmental Activities</u>		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation	Financed			
	Bonds	Purchases			
2023	\$ 17,821	\$ -	\$ 17,821	0.55%	178
2022	23,492	-	23,492	0.84%	248
2021	29,041	-	29,041	1.16%	311
2020	34,466	82	34,548	1.38%	369
2019	39,745	102	39,847	1.68%	423
2018	44,928	180	45,108	1.96%	492
2017	50,051	254	50,305	2.25%	558
2016	55,125	333	55,458	2.47%	627
2015	60,227	401	60,628	2.97%	698
2014	65,163	467	65,630	3.40%	783

Source: Details regarding the School District's outstanding debt can be found in the notes to the financial statements for each respective year.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

WALTON COUNTY SCHOOL DISTRICT

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita (2)
2023	\$ 17,821	\$ 8,799	\$ 9,022	0.26%	90
2022	23,492	7,339	16,153	0.57%	171
2021	29,041	6,825	22,216	0.88%	238
2020	34,466	6,751	27,715	1.16%	296
2019	39,745	7,057	32,688	1.45%	347
2018	44,928	6,997	37,931	1.68%	414
2017	50,051	6,655	43,396	2.12%	481
2016	55,125	6,324	48,801	2.50%	552
2015	60,227	6,248	53,979	2.98%	621
2014	65,163	6,271	58,892	3.23%	703

Source: Details regarding the School District's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

WALTON COUNTY SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT as of June 30, 2023 (amounts expressed in thousands)

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
General Obligation Bonds of School District	\$ 17,821	100%	\$ 17,821
Total direct debt	<u>17,821</u>		<u>17,821</u>
Overlapping:			
Walton County:			
Financed purchases	5,609	100%	5,609
Total overlapping debt	<u>5,609</u>		<u>5,609</u>
Total Direct and Overlapping	<u>\$ 23,430</u>		<u>\$ 23,430</u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

WALTON COUNTY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed valuations: (1)										
Assessed value	\$ 1,825,161	\$ 1,809,682	\$ 1,951,531	\$ 2,043,985	\$ 2,255,211	\$ 2,252,953	\$ 2,386,465	\$ 2,533,372	\$ 2,842,597	\$ 3,422,975
Debt limit (10% of total assessed value)	182,516	180,968	195,153	204,399	225,521	225,295	238,647	253,337	284,260	342,298
Amount of debt applicable to limit:										
General obligation bonds	65,163	60,227	55,125	50,051	44,928	39,745	34,466	29,041	23,492	17,821
Less: Amount set aside for repayment of general obligation debt	(6,271)	(6,248)	(6,324)	(6,655)	(6,997)	(7,057)	(6,751)	(6,825)	(7,339)	(8,799)
Total net debt applicable to limit	58,892	53,979	48,801	43,396	37,931	32,688	27,715	22,216	16,153	9,022
Legal debt margin	\$ 123,624	\$ 126,989	\$ 146,352	\$ 161,003	\$ 187,590	\$ 192,607	\$ 210,932	\$ 231,121	\$ 268,107	\$ 333,276
Total net debt applicable to the limit as a percentage of debt limit	32.27%	29.83%	25.01%	21.23%	16.82%	14.51%	11.61%	8.77%	5.68%	2.64%

Source: (1) Walton County Tax Assessor

(2) School District's Audited Financial Statements for Each Respective Year

WALTON COUNTY SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal		Personal	Per			
Year	Population (1)	Income	Capita	Median	School	Unemployment
		(000's	Personal	Age (1)	Enrollment (2)	Rate (3)
		omitted)	Income (1)			
2023	103,065	\$3,985,008	\$38,665	41.6	14,557	3.3%
2022	99,853	3,246,321	32,511	39.2	14,305	2.9%
2021	94,593	2,807,520	29,680	38.7	13,916	3.6%
2020	93,503	2,510,556	26,850	38.2	14,208	6.2%
2019	94,125	2,370,444	25,184	38.9	14,058	3.7%
2018	91,600	2,303,923	25,152	38.8	14,002	3.4%
2017	90,184	2,238,187	24,818	38.3	13,979	4.6%
2016	88,399	2,248,340	25,434	39.1	14,076	5.0%
2015	86,886	2,044,167	23,527	38.0	13,908	5.7%
2014	83,771	1,931,843	23,061	37.4	13,694	6.9%

(1) Census Reporter

(2) Walton County Department of Education

(3) Georgia Department of Labor

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

WALTON COUNTY SCHOOL DISTRICT

Principal Employers Current Year and Nine Years Ago

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Walton County Board of Education	2,259	1	4.62%	2,000	1	5.44%
Takeda	1,300	2	2.66%			
Hitachi Automotive Systems Americas, Inc	1,100	3	2.25%	320	6	0.87%
Walmart Distribution Center	880	4	1.80%	727	2	1.98%
Walton County Government	878	5	1.80%	721	3	1.96%
Piedmont Walton Hospital (formerly Clearview)	567	6	1.16%	410	4	1.11%
Leggett & Platt, Inc	415	7	0.85%	270	9	0.73%
Walmart- Loganville	410	8	0.84%	325	5	0.88%
CertainTeed	350	9	0.72%			
Walmart- Monroe	320	10	0.65%	270	7	0.73%
Social Circle Schools				260	10	0.71%
Standridge Color Corporation				270	8	0.73%
Total	<u>8,479</u>		<u>17.35%</u>	<u>5,573</u>		<u>15.14%</u>

Source: Walton County Chamber of Commerce.

WALTON COUNTY SCHOOL DISTRICT

DISTRICT EMPLOYEES¹ LAST TEN FISCAL YEARS (as of October 31 of each fiscal year)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Classroom Teachers	832.76	815.96	823.00	836.00	850.00	854.49	856.72	857.27	886.86	925.69
Support Personnel	641.93	753.55	752.00	740.00	738.63	734.13	751.12	721.36	660.71	683.09
Administrators	58.16	60.00	58.00	60.00	60.00	62.00	62.00	61.49	60.49	61.49
	<u>1,532.85</u>	<u>1,629.51</u>	<u>1,633.00</u>	<u>1,636.00</u>	<u>1,648.63</u>	<u>1,650.62</u>	<u>1,669.84</u>	<u>1,640.12</u>	<u>1608.06</u>	<u>1670.27</u>

¹ Source: Georgia Department of Education - Active Employee Summary (CP002) (FTE's)

WALTON COUNTY SCHOOL DISTRICT

OPERATING STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Total Governmental Activities Expenses¹	Full Student Membership²	Cost per Pupil	Percentage Change	Teaching Staff (FTEs)³	Pupil/ Teacher Ratio
2014	121,654,550	13,694	8,884	-5.26%	858.17	15.96
2015	121,970,120	13,838	8,814	-0.78%	886.07	15.62
2016	128,566,604	14,056	9,147	3.77%	826.22	17.01
2017	144,603,392	13,206	10,950	19.71%	836.00	15.80
2018	151,448,059	14,068	10,765	-1.68%	850.00	16.55
2019	150,477,455	13,651	11,023	2.39%	854.49	15.98
2020	165,878,682	14,208	11,675	5.91%	856.72	16.58
2021	169,579,334	13,844	12,249	4.92%	857.27	16.15
2022	157,385,608	14,305	11,002	-10.18%	886.83	16.13
2023	193,960,588	14,557	13,324	21.11%	925.69	15.73

¹ Per School District's Audited Financial Statements for Each Respective Year

² Source: Georgia Department of Education Student FTE October count (includes Pre-Kindergarten through 12th Grade)

³ Source: GA Department of Education; Certified Experience by Full-Time Equivalent Count (CP002)

WALTON COUNTY SCHOOL DISTRICT

AVERAGE SALARY SUMMARY OF CERTIFIED PERSONNEL LAST TEN FISCAL YEARS

Fiscal Year	Number of Full & Part Time Certified Personnel ²						Minimum Salary (based on 4 yr cert/ 0 yrs exp) ¹	Maximum Salary (based on 7 yr cert/ 23 ⁺ yrs exp) ¹	Walton Co. Average Annual Salary ²
	4 Yr Bachelors	5 Yr Masters	6 Yr Specialists	7 Yr Doctoral	Other	Total			
2014	147	403	276	54	4	884	36,686	78,673	59,106
2015	153	394	302	59	4	912	36,686	78,673	61,412
2016	176	360	325	51	5	917	36,686	78,673	63,110
2017	177	373	315	60	4	929	38,922	83,469	65,317
2018	188	374	310	60	8	940	39,591	85,912	63,385
2019	182	383	337	56	10	968	39,591	88,489	67,527
2020	198	373	338	55	16	980	42,591	91,489	70,868
2021	181	391	349	51	16	988	42,591	91,489	70,738
2022	184	375	339	51	13	962	42,591	91,489	69,744
2023	186	398	347	48	13	992	44,721	104,972	74,117

¹ Source: School District records

² Source: GA Department of Education - Average Salary Summary for Certified Personnel (CP007) and Certified Experience Staff Count (CP003A)

WALTON COUNTY SCHOOL DISTRICT

FREE & REDUCED PRICE LUNCH ELIGIBILITY¹

LAST TEN FISCAL YEARS

(as of October 31 of each fiscal year)

Fiscal Year	Number of Students Eligible for Free Meals	Number of Students Eligible for Reduced Price Meals	Total Number of Students Eligible for Free & Reduced Price Meals	Total Student Enrollment (FTE)	% of Students Eligible for Reduced Price Meals
2023	5,064	1158	6,222	14,557	42.74%
2022	3,348	-	3,348	14,305	23.40%
2021	4,964	834	5,798	13,844	41.88%
2020	5,487	1,024	6,511	14,208	45.83%
2019	5,452	1,059	6,511	13,651	47.70%
2018	5,733	902	6,635	13,582	48.85%
2017	5,755	998	6,753	13,206	51.14%
2016	5,778	1,014	6,792	14,056	48.32%
2015	5,901	1,045	6,946	13,838	50.20%
2014	5,872	951	6,823	13,694	49.82%

¹ Source: GADOE - Free & Reduced Price Lunch Eligibility

WALTON COUNTY SCHOOL DISTRICT

SCHOOL DATA LAST TEN FISCAL YEARS

ELEMENTARY SCHOOLS	ENROLLMENT									
	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
BAY CREEK ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 1970										
Size of Site (acres) - 23										
Square feet - 80,873										
Number of Classrooms - 47										
Capacity - 725										
Enrollment (1)	847	872	838	611	586	658	726	698	689	715
HARMONY ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2012										
Size of Site (acres) - 47.5										
Square feet - 103,825										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	799	803	721	705	663	651	665	641	656	674
LOGANVILLE ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2016										
Size of Site (acres) - 98.31										
Square feet - 114,615										
Number of Classrooms - 59										
Capacity - 925										
Enrollment (1)	619	605	638	924	917	935	991	1,002	1,002	1,033
MONROE ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2007										
Size of Site (acres) - 98.31										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	700	680	626	622	509	539	579	523	573	563
WALKER PARK ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2008										
Size of Site (acres) - 44.60										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	749	778	718	704	623	595	633	599	649	715
(continued)										

WALTON COUNTY SCHOOL DISTRICT

SCHOOL DATA LAST TEN FISCAL YEARS

	ENROLLMENT									
	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
WALNUT GROVE ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 1995										
Size of Site (acres) - 33.90										
Square feet - 84,265										
Number of Classrooms - 49										
Capacity - 762										
Enrollment (1)	562	605	645	667	647	630	679	666	692	727
ATHA ROAD ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2001										
Size of Site (acres) - 32.74										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	808	843	927	850	788	788	868	814	842	840
YOUTH ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2002										
Size of Site (acres) - 25.89										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	790	756	750	753	731	736	784	745	757	784
SHARON ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2007										
Size of Site (acres) - 79.96										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	789	796	811	835	750	758	769	720	721	733
MIDDLE SCHOOLS										
CARVER MIDDLE										
Grade levels served - Gr6 - Gr8										
Occupied Year - 1992										
Size of Site (acres) - 40.00										
Square feet - 101,320										
Number of Classrooms - 49										
Capacity - 825										
Enrollment (1)	1,000	952	916	850	843	845	895	840	847	801
(continued)										

WALTON COUNTY SCHOOL DISTRICT

SCHOOL DATA LAST TEN FISCAL YEARS

	ENROLLMENT									
	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
LOGANVILLE MIDDLE										
Grade levels served - Gr6 - Gr8										
Occupied Year - 2015										
Size of Site (acres) - 41.06										
Square feet - 212,435										
Number of Classrooms - 93										
Capacity - 1485										
Enrollment (1)	1,124	1,157	1,247	1,293	1,346	1,315	1,377	1,399	1,382	1,320
YOUTH MIDDLE										
Grade levels served - Gr6 - Gr8										
Occupied Year - 2004										
Size of Site (acres) - 35.89										
Square feet - 159,068										
Number of Classrooms - 71										
Capacity -1298										
Enrollment (1)	1,066	1,016	1,066	1,068	1,092	1,109	1,128	1,142	1,169	1,236
HIGH SCHOOLS										
LOGANVILLE HIGH										
Grade levels served - Gr9 - Gr12										
Occupied Year - 1998										
Size of Site (acres) - 44.70										
Square feet - 152,169										
Number of Classrooms - 79										
Capacity - 1839										
Enrollment (1)	1,467	1,466	1,509	1,622	1,653	1,676	1,682	1,715	1,803	1,808
MONROE AREA HIGH										
Grade levels served - Gr9 - Gr 12										
Occupied Year - 2005										
Size of Site (acres) - 40.00										
Square feet - 227,657										
Number of Classrooms - 77										
Capacity - 1114										
Enrollment (1)	1,109	1,104	1,114	1,095	1,056	1,051	1,069	1,007	1,097	1,158
WALNUT GROVE HIGH										
Grade levels served - Gr9 - Gr 12										
Occupied Year - 2009										
Size of Site (acres) - 103.3										
Square feet - 226,727										
Number of Classrooms - 75										
Capacity - 1415										
Enrollment (1)	1,265	1,405	1,408	1,547	1,378	1,365	1,363	1,333	1,426	1,450
Total Enrollment	<u>13,694</u>	<u>13,838</u>	<u>13,934</u>	<u>14,056</u>	<u>13,582</u>	<u>13,651</u>	<u>14,208</u>	<u>13,844</u>	<u>14,305</u>	<u>14,557</u>

1 Source: Georgia Department of Education Student FTE October count (includes Pre-Kindergarten through 12th Grade) (FT002)

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF INSURANCE IN FORCE

June 30, 2023

Type of Coverage	Name of Company	Policy Period		Liability Limits	Annual Premium
		From	To		
<u>Paid by District</u>					
Casualty and Crime Coverage	GSBA	7/1/2022	6/30/2023		\$404,741
General - Aggr.				\$3,000,000	
Schl Leaders Liability- Aggr.				\$3,000,000	
Automobile Liability				\$350,000	
Cyber-Risk				\$1,000,000	
Crime				\$250,000	
Crisis Management				\$300,000	
Property Coverage Agreement					
Auto Physical Damage				Per ACV schedule	
Superintendent Life Insurance	State Farm Insurance Co	7/1/2022	6/30/2023	\$1,000,000	\$1,610
Superintendent Surety Bond	CNA Surety Company	4/1/2022	4/1/2023	\$100,000	\$350
Workers' Compensation	Self Insured	7/1/2022	6/30/2023	\$500,000	per event
	Benchmark Insurance Company	7/1/2022	6/30/2023	\$1,000,000 per occurrence	\$61,154
Medical - Certified Employee	State Health Benefit Plan #74712	1/1/2023	12/31/2023	N/A	\$1180/mth per enrolled employee
Medical - Classified Employee	State Health Benefit Plan #74711	1/1/2023	12/31/2023	N/A	\$945.00/mth per enrolled employee
Life Insurance/AD&D	MetLife	1/1/2023	12/31/2023	\$10,000	\$2.04/mth per employee
Voluntary Benefits					
Paid by Employee					
(administered by GA Breeze)					

(continued)

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF INSURANCE IN FORCE

June 30, 2023

Type of Coverage	Name of Company	Policy Period		Liability Limits	Annual Premium
		From	To		
Disability, Long Term (>180 days)	The Standard #642967-B	1/1/2023	12/31/2023		(A)
Disability, Short Term (<181 days)	The Standard #642967-A	1/1/2023	12/31/2023		(A)
Life Insurance- Employee	MetLife	1/1/2023	12/31/2023	1-10x Salary	(A)
AD&D Insurance- Employee	MetLife	1/1/2023	12/31/2023	1-10x Salary	(A)
Life Insurance - Spouse	MetLife	1/1/2023	12/31/2023	\$6K to \$250K	(A)
Life Insurance - Children	MetLife	1/1/2023	12/31/2023	\$3K to 20K	\$11.04 to \$26.16
Dental Insurance	Cigna #0599978-01B	1/1/2023	12/31/2023	DHMO	\$263.40 to \$709.56
Dental Insurance	Cigna	1/1/2023	12/31/2023	Select	\$322.44 to \$923.04
Dental Insurance	Cigna	1/1/2023	12/31/2023	Select Mid	\$410.40 to \$1,179.60
Dental Insurance	Cigna	1/1/2023	12/31/2023	Select Plus	\$490.32 to \$1,412.16
Vision Select	Anthem Blue Cross	1/1/2023	12/31/2023	Select	\$63.12 to \$188.76
Vision Select Plus	Anthem Blue Cross	1/1/2023	12/31/2023	Select Plus	\$108.48 to \$338.76
Legal Select	MetLife	1/1/2023	12/31/2023	Select	Single - \$71.64 Family- \$89.52
Legal Select Plus	MetLife	1/1/2023	12/31/2023	Select Plus	Single - \$91.80 Family - \$117.60
Legal Select Premium	MetLife	1/1/2023	12/31/2023	Select Premium	Single - \$105.00 Family - \$130.80
Specified Illness - Employee	Continental American Ins.	1/1/2023	12/31/2023		(A)
Specified Illness - Spouse	Continental American Ins.	1/1/2023	12/31/2023		(A)

(A) Employee cost based on employee's age and rate per thousand

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S 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**

**To the Superintendent and Members of
the Walton County Board of Education
Monroe, Georgia**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Walton County Board of Education (the "District"), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2023. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 19, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

**To the Superintendent and Members of
the Walton County Board of Education
Monroe, Georgia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Walton County Board of Education's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 19, 2023

WALTON COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Entity ID Number	Total Expenditures
Agriculture, U.S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food and Nutrition Program			
Child Nutrition Cluster			
School Breakfast Program	10.553	235GA324N1099	\$ 1,365,086
National School Lunch Program			
Cash Assistance	10.555	235GA324N1100	3,999,620
Non-cash Assistance (Commodities)	10.555	235GA324N1100	473,699
School Snack Program	10.555	235GA324N1099	34,862
Subtotal			4,508,181
Total Child Nutrition Cluster			5,873,267
Total U.S. Department of Agriculture			5,873,267
Education, U.S. Department of			
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Individuals with Disabilities Education Act (IDEA)			
Part B-Special Education			
IDEA Special Education - Flowthrough	84.027	H027A170073	2,926,314
IDEA Special Education - Ages 3-5	84.173	H173A170081	55,853
Parent Mentor	84.027	H027A170073	18,400
COVID-19 - IDEA Special Education - Flowthrough	84.027X	H027X210073	260,054
Total Special Education Cluster			3,260,621
Other Programs			
Pass-Through From Georgia Department of Education			
Elementary and Secondary Education Act			
Title I, Part A			
Improving Academic Achievement	84.010	S010A210010	3,510,233
Subtotal			3,510,233
Title II			
Supporting Effective Instruction State Grants	84.367	S367A210001	636,701
Advanced Placement Grant	84.367	S367A210001	2,100
Subtotal			638,801

(Continued)

WALTON COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Entity ID Number	Total Expenditures
Title III			
Limited English Proficient	84.365	S365A210010	\$ 79,322
Education for Homeless Children and Youth	84.196	S196A210011	59,200
Title IV - Part A - Student Support and Academic Enrichment	84.424A	S196A210011	235,994
Title IV - Part B - 21st Century Community Learning Centers	84.287	S365A210010	894,537
Vocational Education Basic Grants to States			
Program Improvement	84.048	V048A210010	133,672
Perkins Plus	84.048	V048A210010	18,122
Perkins Carryover	84.048	V048A200010	8,887
Subtotal			160,681
Education Stabilization Fund			
Pass-Through From Georgia Department of Education:			
GEER II - Dyslexia Initiative	84.425C	S425C210012	162,000
COVID-19 - ESSER-CRRSA Act	84.425D	S425D210012	652,152
COVID-19 - ESSER-ARP-LEA	84.425U	S425U210012	5,615,083
COVID-19 - ESSER-ARP-LL Opportunity Grants	84.425U	S425U210012	14,108
COVID-19 - ESSER-ARP-LL Readiness in Literacy	84.425U	S425U210012	53,233
Education Stabilization Fund			6,496,576
Total U.S. Department of Education Expenditures			15,335,965
Total Federal Awards Expenditures			\$ 21,209,232

Notes to the Schedule of Expenditures of Federal Awards

Note - The School District did not utilize the 10% de minimus indirect cost rate.

1.) The amounts shown for the Food Donation Program represent the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School District during the current fiscal year.

2.) The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Walton County School District and is presented on the modified accrual basis of accounting.

3.) The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP?

Unmodified

Internal control over financial reporting:
Material weakness(es) identified?

___ yes X no

Significant deficiency(ies) identified?

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal Control over major programs:
Material weakness(es) identified?

___ yes X no

Significant deficiency(ies) identified?

___ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___ yes X no

Identification of major programs:

Name of Federal Program or Cluster

Education Stabilization Fund

Child Nutrition Cluster

Title IV 21st Century Community Learning Centers

Federal Assistance Listing Number

84.425C / 84.425D / 84.425U

10.553 / 10.555

84.287

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low risk auditee?

X yes ___ no

WALTON COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported

WALTON COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

WALTON COUNTY SCHOOL DISTRICT
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

None reported